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LOUIS E. GITOMER

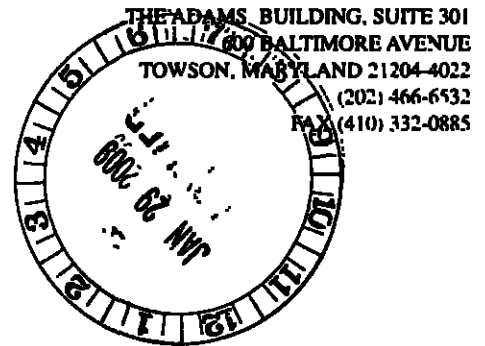
LOUIS E. GITOMER
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January 29, 2009

ENTERED
Office of Proceedings

JAN 29 2009

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Honorable Anne K. Quinlan
Acting Secretary
Surface Transportation Board
395 I. Street, S.W.
Washington, D. C. 20423

RE Docket No. AB-1023 (Sub-No. 1X). *Puget Sound & Pacific
Railroad Company—Abandonment Exemption—in Grays Harbor
County, WA*

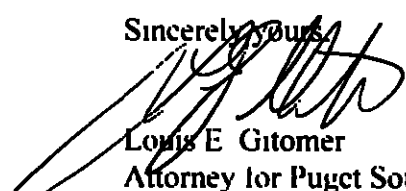
Dear Acting Secretary Quinlan:

Enclosed are the original and 10 copies of a Petition for Exemption for the Puget Sound & Pacific Railroad Company ("PSAP") to abandon an 8,344-foot long rail line that begins just south of where the railroad line crosses US Highway 101 and proceeds in a northerly direction for 8,344 feet to the end of the line, in Grays Harbor County, WA. Also enclosed are a check from PSAP for the filing fee of \$6,300, and a computer diskette containing the Petition in Word and pdf format.

Please time and date stamp the additional copy of this letter and the Petition and return them with our messenger. Thank you for your assistance.

If you have any questions please call or email me.

Sincerely yours,


Louis E. Gitomer
Attorney for Puget Sound & Pacific Railroad
Company

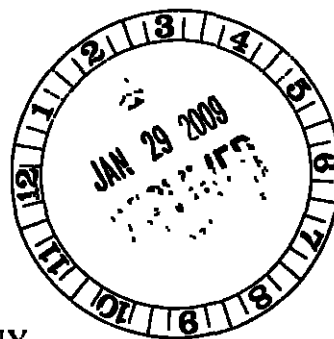
Enclosures

FEE RECEIVED
JAN 29 2009
SURFACE
TRANSPORTATION BOARD

FILED
JAN 29 2009
SURFACE
TRANSPORTATION BOARD

BEFORE THE
SURFACE TRANSPORTATION BOARD

Docket No. AB-1023 (Sub-No 1X)



PUGET SOUND & PACIFIC RAILROAD COMPANY
-ABANDONMENT EXEMPTION-IN GRAYS HARBOR COUNTY, WA

PETITION FOR EXEMPTION

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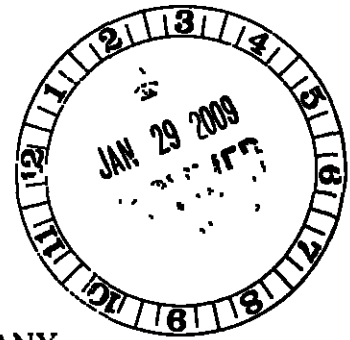
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Attorneys for PUGET SOUND & PACIFIC
RAILROAD COMPANY

Dated January 29, 2009

BEFORE THE
SURFACE TRANSPORTATION BOARD

Docket No AB-1023 (Sub-No 1X)



PUGET SOUND & PACIFIC RAILROAD COMPANY
—ABANDONMENT EXEMPTION—IN GRAYS HARBOR COUNTY, WA

PETITION FOR EXEMPTION

Puget Sound & Pacific Railroad Company (“PSAP”) petitions the Surface Transportation Board (the “Board”) to exempt, under 49 U S C § 10502, the abandonment of an 8,344-foot long rail line that begins just south of where the railroad line crosses US Highway 101 and proceeds in a northerly direction for 8,344 feet to the end of the line, in Grays Harbor County, WA (the “Line”) from the prior approval requirements of 49 U S C § 10903¹

Abandonment will allow PSAP to avoid costs incurred by continued ownership of the Line, especially the rehabilitation of the Line. The cost to rehabilitate the Line to FRA Class 1 condition has been estimated to be about \$925,921 (as adjusted to account for the length of the line being abandoned) in the Hoquiam Branch Rehabilitation Plan (the “Rehabilitation Plan”) prepared by an independent third party, HDR Engineering, Inc (“HDR”) for the City of Hoquiam, WA. A copy is attached to Mr. Bader’s verified statement in Exhibit F. Because of track condition, the Line is currently embargoed, and the sole shipper, who is located at the end of the Line, has been transloading in nearby Aberdeen, WA.

¹ There are no mileposts on the Line.

PROPOSED TRANSACTION

PSAP proposes to abandon the 8,344-foot long rail line that begins just south of where the railroad line crosses US Highway 101 in Hoquiam, WA and proceeds in a northerly direction for 8,344 feet to the end of the line where it enters the facility of Hoquiam Plywood Company, Inc ("Hoquiam Plywood"), in Grays Harbor County, WA. The Line begins 3,424 feet north of the main track clearance off of the Elma Main. The Line traverses Zip Code 98550.

A map of the Line is attached as Exhibit A (a colored map is in Exhibit I). The draft Federal Register Notice is in Exhibit B, and copies of the newspaper publication and the required certification are in Exhibit C. The certificate of service is in Exhibit D. Exhibit E contains the Verified Statement of Marc R. Bader, Chief Line Engineer, West Region, of RailAmerica, Inc ("RailAmerica"), including PSAP. Mr. Bader addresses the value of the track and material on the Line, the need for rehabilitation, and the cost of maintenance. Exhibit F contains the Verified Statement of Mr. Robert M. Frelich, Jr., and addresses the costs of operating over the Line. Exhibit G contains the Verified Statement of Ms. Sandy Franger addressing negotiations for the sale or lease of the Line. Exhibit H consists of the Combined Environmental and Historic Report. Exhibits in color are in Exhibit I.

Based on information in PSAP's possession, the Line does not contain federally granted right-of-way. Any documentation in PSAP's possession concerning title will be made available to those requesting it. There is a station at Hoquiam.

BACKGROUND

PSAP has operated over the Line since 1997 when it was acquired from The Burlington Northern and Santa Fe Railway Company² The Line requires substantial maintenance and rehabilitation because of its location and age

A. Description of the Line.

The Line is 8,344 feet long The Line begins 3,424 feet north of the main track clearance off of the Elma Main and ends at the entrance to the Hoquiam Plywood facility Including auxiliary track, the Line contains 1.83 miles of 85 lb rail and 0.43 miles of 100 lb. rail

The Rehabilitation Plan divided the Line into six segments, A-F Segment A is 5,382 feet long, running from the main track clearance off of the Elma Main to where the track begins running down the center of Polk Street However, only 1,906 feet of Segment A is involved in the abandonment, the remainder of Segment A in the Rehabilitation Plan is south of the beginning of the abandonment³ Segment B runs in Polk Street for a distance of 1,381 feet Segment C runs from Polk Street to the beginning of the Hoquiam River Bridge, a distance of 2,565 feet Segment D is the 449 foot long Hoquiam River Bridge From the north end of the bridge to the Hoquiam Plywood facility is 2,043 foot long Segment E Beyond the northern terminus of the abandonment is Segment F, 968 feet within the Hoquiam Plywood facility

Although only 8,344 feet long, the Line consists of three bridges, including one 449-foot long swing bridge across the Hoquiam River

² *Arizona & California Railroad Company Limited Partnership-Acquisition and Operation Exemption-The Burlington Northern and Santa Fe Railway Company*. STB Finance Docket No 33448 (STB Served September 11, 1997)

³ Mr. Bader has reduced the rehabilitation cost for Segment A developed in the Rehabilitation Plan to reflect the actual costs that would be incurred in rehabilitating the portion of the line being abandoned

The Line was embargoed on February 28, 2008 pursuant to embargo notice PSAP 000108 because of track conditions. See Appendix 1 to Ms. Franger's verified statement. Prior to the embargo, the Line was in Federal Railroad Administration ("FRA") excepted condition. See 49 C.F.R. §213.9.

B. Traffic on the Line.

The only shipper on the Line is Hoquiam Plywood located at 1000 Woodlawn Avenue, Hoquiam, WA 98550, at the northern stub end of the Line.⁴ Hoquiam Plywood receives veneer in boxcars and ships out plywood in boxcars. Traffic volume has decreased recently. In 2005 and 2006, PSAP provided five day per week service to Hoquiam Plywood and transported inbound and outbound a total of 532 carloads in 2005 and 470 carloads in 2006. In 2007, traffic volume fell to 335 carloads and PSAP reduced service to two to three days per week.

In 2008 there were 36 carloads delivered to the Hoquiam Plywood facility prior to the embargo and there have been no carloads delivered to the Hoquiam Plywood facility to date in 2009. However, since the Line was embargoed, Hoquiam Plywood transloaded 224 carloads through November 2008 at a warehouse in Aberdeen, WA, which is about a two mile drive from Hoquiam Plywood's facility. Annualized from the November traffic volume, in 2008 Hoquiam Plywood would have received and shipped a total of 284 cars (57 inbound loads of veneer and 227 outbound loads of plywood, consisting of 36 carloads delivered to the Hoquiam Plywood facility and 248 carloads delivered to the Aberdeen transloading facility).⁵ PSAP transports the traffic from an interchange with BNSF Railway Company ("BNSF") at Centralia, WA, a distance

⁴ PSAP is serving a copy of this Petition on Hoquiam Plywood and asks the Board to make Hoquiam Plywood a party of record to receive all filings in this proceeding and all decisions served by the Board.

of about 59 miles PSAP receives a revenue division of \$365 per inbound carload and \$474 per outbound carload, regardless of whether the car is delivered to the Hoquiam Plywood facility or to the transloading facility in Aberdeen The revenue received by PSAP for this 59-mile move must pay a portion of the cost of operating and maintaining the entire 59 miles, not just the costs for the Line Therefore, attributing all of the revenue generated by delivery to the Hoquiam Plywood facility to the Line is extremely conservative

As a result of the transloading operation, PSAP has been able to temporarily eliminate the costs of operating and maintaining the Line, while continuing to generate revenue Although it may cost more for Hoquiam Plywood to transload its traffic, the rates are substantially less than the increases that PSAP would have to charge to cover the cost of rehabilitating the Line as discussed later Inconvenience and increased cost to a shipper will not outweigh demonstrated harm to a railroad *South Orient RR —Abun & Discon Of Trackage Rights*, 3 S T B 743, 757 (1998)

The use of the transload facility in Aberdeen by Hoquiam Plywood also demonstrates that there is alternative transportation service available Because of the availability of the transload facility, PSAP is burdened with retaining a rail line that is not required to provide service

C. The costs of the Line.

PSAP incurs maintenance and operating costs for the Line In addition, because of the condition of the Line, PSAP will be required to incur a substantial expenditure in order to return the Line to service

⁵ Hoquiam Plywood closed its facility in December because of the downturn in the economy PSAP does not know whether this is a temporary or permanent closure

1. Maintenance costs. PSAP has kept maintenance costs to a minimum over the past three years, spending a total of about \$15,000 Bader VS If the Line were rehabilitated to FRA Class 1 condition, PSAP expects to spend about \$5,000 per mile for annual maintenance, or a total of \$7,901.52 Weekly inspection costs, which include inspections of the bridges, would be an additional \$4,426.24 per year Total annual maintenance costs for the Line would be \$12,327.76 Bader VS

2. Operating costs. On behalf of PSAP, Mr. Frelich has calculated the cost of operations based on serving Hoquiam Plywood two days per week, 52 weeks per year Additional service would increase the cost of operations

Mr. Frelich took into account the time it takes to serve Hoquiam Plywood, the number of employees involved and their compensation, the number and cost of locomotives, including fuel He determined that annual avoidable costs on the Line would be \$51,753 consisting of \$23,920 for crew costs, plus \$10,582 for locomotive fuel and rental costs, and \$17,251 for overhead costs Frelich VS

3. Rehabilitation costs. The cost of rehabilitating the Line will be between \$925,921 and \$1,407,610

The Line is currently in FRA excepted condition and has been embargoed due to deteriorating track condition As described in the independently prepared Rehabilitation Plan, the Line requires substantial rehabilitation to meet FRA Class 1 standards The Rehabilitation Plan estimates the cost of rehabilitating the Line to be \$1,027,036.25 for an 11,820-foot long line Mr. Bader adjusted the rehabilitation cost to eliminate that portion of the track contained in the report that is not part of the proposed abandonment to reach a rehabilitation amount from the

Rehabilitation Plan of \$925,921 Bader VS Independently, Mr Bader estimated the rehabilitation cost for the Line to be \$1,407,610 Bader VS

Mr Bader also addresses the difference between his rehabilitation estimate and that of the Rehabilitation Plan concerning the costs to repair the bridges (PSAP \$840,300 (including sheetpiling) and the Rehabilitation Plan \$731,250 (including the contingency charge)) and the cost to repair Polk Street (PSAP \$497,160 and the Rehabilitation Plan \$42,914 (including the contingency charge))

The difference in bridge rehabilitation costs arises because the Rehabilitation Plan is based on a " cursory review " of the swing bridge that did not include detailed member inspections The PSAP estimate, on the other hand, is based on an estimate received from a bridge repair contractor following a detailed inspection of the bridge, resulting in an increased rehabilitation cost of \$109,050

In Mr Bader's opinion, PSAP's estimate for the Polk Street rehabilitation is more reasonable The Rehabilitation Plan only corrects the gauge of the rail, spot tamps the line, and performs joint rehabilitation It does not replace rail, ties, or asphalt to support the railway and vehicular traffic in order to maintain a smooth roadway surface The Rehabilitation Plan does not allocate costs for removal of any of the track or other material in the Line in Polk Street, other than for 2 turnouts Nor does the Rehabilitation Plan include the labor costs to replace ties or other material in Polk Street The Rehabilitation Plan does not include costs for rail or for asphalt, much less the costs of preparing the Line to replace rail and asphalt by removal of the existing material The Rehabilitation Plan has substantially underestimated the cost of repairing the Polk Street segment by only addressing temporary fixes that will result in continued high

maintenance costs. The PSAP rehabilitation cost of the Polk Street segment is more in line with the work required by the condition of the Polk Street segment. The difference is \$454,246.

Mr. Bader concluded that the Rehabilitation Plan was understated by over \$500,000.

However, Mr. Bader also concluded that it would be inefficient and a waste of resources for PSAP to make any substantial rehabilitation investment in the Line (whether it was the \$925,921 from the Rehabilitation Plan or the \$1,407,610 that PSAP believes is required) because the Line did not generate sufficient traffic or revenue to generate a positive return on the investment. Bader vs. Ms. Franger agreed that an investment in the rehabilitation of the Line would be unwise unless there were a substantial growth of traffic or a substantial increase in the rates paid by the current traffic volume.

Although there is disagreement between PSAP and the Rehabilitation Plan as to the exact cost of rehabilitating the Line, there is no doubt that a substantial expenditure will be required. The Board has determined that where there is a potential range of opportunity costs in an abandonment and that the minimal cost creates a burden on the railroad, that a precise determination of the opportunity cost is not necessary to find a burden on the railroad. See, *Central Oregon & Pacific Railroad, Inc. —Abandonment and Discontinuance of Service—in Coos, Douglas, and Lane Counties, OR*, STB Docket No. AB-515 (Sub-No. 2) (STB served October 31, 2008) at 6 (“*CORP Abandonment*”). The Board granted the abandonment in *CORP Abandonment*. In this proceeding, the cost of rehabilitation will range between \$925,921 and \$1,407,610. PSAP urges the Board to conclude that even the minimum rehabilitation cost will create a burden on PSAP comparable to the burden on the railroad caused by opportunity costs in the *CORP Abandonment*.

In a proceeding where the cost to rehabilitate the line exceeded the profit earned on the line, the Board concluded that "Rehabilitation and replacement . . . would require an expenditure that cannot be justified by limited and speculative future profitability." *CSX Transportation, Inc. - Discontinuance—at Memphis, in Shelby County, TN*, STB Docket No. AB-55 (Sub-No. 618) (STB served October 28, 2002) at 9 ("*Memphis Discontinuance*") In this proceeding Hoquiam Plywood has found a nearby location to transload traffic and may not use the Line if it is rehabilitated, especially if rail rates are increased to cover the cost of rehabilitation and then exceed the cost of the transload. In addition, Hoquiam Plywood closed its facility in December as a result of the economic downturn and PSAP is unsure whether the facility will reopen. Not only is PSAP faced with the substantial cost of rehabilitation, but also with speculative future traffic on the Line.

D. Calculation of opportunity costs.

Opportunity costs (or total return on value of road property) reflect the economic loss experienced by a carrier from forgoing a more profitable alternative use of its assets. Under *Abandonment Regulations—Costing*, 31 C.C. 2d 340 (1987), the opportunity cost of road property is computed on an investment base equal to the sum of (1) allowable working capital, (2) the net liquidation value (NLV) of the line, and (3) current income tax benefits (if any) resulting from abandonment. The investment base (or valuation of the road properties) is multiplied by the current nominal rate of return, to yield the nominal return on value. The nominal return is then adjusted by applying a holding gain (or loss) to reflect the increase (or decrease) in value a carrier will expect to realize by holding assets for 1 additional year.⁶

1. Calculation of net salvage value ("NSV").

Mr. Bader as the Chief Line Engineer, West Region, of RailAmerica is responsible for engineering, rehabilitation, and maintenance activities for eight West Coast regional and

⁶ *Wisconsin Central Ltd.—Abandonment—in Ozaukee, Sheboygan and Manitowoc Counties, WI*, STB Docket No. AB-303 (Sub-No. 27) (STB served October 18, 2004), at 10-11.

shortline railroads owned by RailAmerica, including PSAP. Based on PSAP's records, an inspection of the Line, the latest costs of rail materials, and the cost of removal and transportation, Mr. Bader calculates the NSV of the Line to be \$24,997. Bader VS Appendix 1

2. Calculation of the value of real estate ("VRE").

PSAP has determined that at this time it is too costly to obtain an appraisal of the real estate. Therefore, for purposes of this Petition, PSAP is assigning a zero value to the VRE.

3. Calculation of 15 days working capital.

Mr. Frelich calculated the cost of operating and maintaining the Line to be \$64,080.76 per year. Working capital for the computation of opportunity costs is calculated as 15 days of the costs of the Line. Therefore, PSAP has divided the total of the operating costs and maintenance costs ($\$51,753 + \$12,327.76 = \$64,080.76$) by 365 and multiplied that amount by 15 to arrive at the 15 days of working capital of \$2,633.

4. Nominal cost of capital.

The Board has recently accepted the nominal cost of capital for a Class III railroad of 17.24 percent. *CORP Abandonment* at 6. Therefore, PSAP will use 17.24 percent as the nominal cost of capital in calculating the opportunity costs of the Line.

5. Income tax consequences.

The book value of the Line is \$24,997. The NLV of \$24,997 less the book value yields no gain. Therefore, sale of the Line will have no tax consequences.

6. Holding gain.

Because of the decline in the value of scrap and reusable steel and the decline in the market for real estate, PSAP estimates that there will be no holding gain or loss in the current economic environment. The Board has accepted such an analysis.⁷

7. Calculation of Opportunity Costs.

The following Table shows the opportunity cost calculation

Working Capital	\$ 2,633
NLV	\$24,997
Taxes	\$ 0
Holding Gain	\$ 0
Valuation	\$27,630
Nominal Rate of Return	17.24
Opportunity Cost	\$ 4,763

E. Alternate transportation.

During the embargo of the Line, Hoquiam Plywood has been transloading at a warehouse in Aberdeen, WA, which demonstrates that alternative service is available.

F. Summary.

Continued ownership and operation of the Line by PSAP will continue to be a burden on PSAP and interstate commerce. PSAP will incur rehabilitation costs of between \$925,921 and \$1,407,610 to return the Line to FRA Class 1 condition. Although PSAP expects a profit in the Forecast Year of \$64,322.24, it also incurs opportunity costs of at least \$4,763, which will

⁷ *Southwestern Railroad Company, Inc.—Abandonment Exemption—in Ellis County, OK, and Lipscomb, Ochiltree, and Hansford Counties, TX*, STB Docket No. AB-341 (Sub-No. 1X) (STB served November 20, 2007) at 2.

increase substantially if the Line is rehabilitated because of the additional assets committed to the Line

Taking the conservative approach, and accepting a rehabilitation cost of \$925,921 and a cost of capital of 17.24%, PSAP would need to earn a profit of about \$159,629 per year in order to cover the cost of money for the rehabilitation, and even more to repay the principal cost rehabilitation. Based on 284 carloads, rates would have to increase by over \$550 per carload to cover the cost of money for the rehabilitation. To repay the cost of rehabilitation over a one year period, rates would have to increase by more than an additional \$3,000 per carload. Even if the cost of rehabilitation were to be repaid over a three year period, the rates per car would have to increase by over \$1,000. PSAP contends that any of the rate increases discussed would cause Hoquiam Plywood to continue to use the transload facility or to divert its traffic to truck and PSAP would never be able to recover the cost of rehabilitation. If the rehabilitation cost was higher, as justified by Mr. Bader, PSAP's earnings would have to be even greater.

In addition, Hoquiam Plywood has availed itself of alternate transportation service during the embargo of the Line and would most likely decide to retain the transload option instead of incurring a substantial rate increase to retain all rail service.

PSAP contends that in balancing the harm to itself and interstate commerce against the harm to shippers and local interests, the balance clearly favors abandonment.

ARGUMENT SUPPORTING THE ABANDONMENT

PSAP seeks an exemption under 49 U.S.C. § 10502 from the applicable requirements of 49 U.S.C. § 10903 in order to abandon the Line.

Under 49 U.S.C. § 10502, the Board must exempt a transaction from regulation when it finds that

(1) regulation is not necessary to carry out the rail transportation policy of 49 U S C § 10101, and

(2) either

(a) the transaction is of limited scope. or

(b) regulation is not necessary to protect shippers from the abuse of market power

The legislative history of Section 10502 reveals a clear Congressional intent that the Board should liberally use its exemption authority to free certain transactions from the *administrative and financial costs associated with continued regulation*. In enacting the Staggers Rail Act of 1980, Pub L No 96-488, 94 Stat 1895, Congress encouraged the Board's predecessor agency to liberally use the expanded exemption authority under former Section 10505

The policy underlying this provision is that while Congress has been able to identify broad areas of commerce where reduced regulation is clearly warranted, the Commission is more capable through the administrative process of examining specific regulatory provisions and practices not yet addressed by Congress to determine where they can be deregulated consistent with the policies of Congress. The conferees expect that, consistent with the policies of this Act, the Commission will pursue partial and complete exemption from remaining regulation

H R Rep No 1430, 96 the Cong 2d Sess 105 (1980). See also *Exemption From Regulation--Boxcar Traffic*, 367 I C C 424, 428 (1983), vacated and remanded on other grounds. *Brae Corp v United States*, 740 F 2d 1023 (D C Cir 1984). Congress reaffirmed this policy in the conference report accompanying the ICC Termination Act of 1995, Pub L No 104-88, 109 Stat 803, which re-enacted the rail exemption provision as Section 10502. H R Rep No 422, 104th Cong , 1st Sess 168-69 (1995)

A. The Application of 49 U.S.C. § 10903 Is Not Necessary to Carry Out the Rail Transportation Policy

Detailed scrutiny of this transaction is not necessary to carry out the rail transportation policy. An exemption would minimize the unnecessary expense associated with the preparation and filing of a formal abandonment application, expedite regulatory decisions and reduce regulatory barriers to exit. 49 U.S.C. § 10101 (2) and (7)

Hoquiam Plywood has obtained alternate transportation service since PSAP embargoed the Line.

PSAP will avoid rehabilitation costs of between \$925,921 and \$1,407,610 to return the Line to FRA Class I standards. Although PSAP earns a profit of about \$64,322.24 on the Line per year, there is no guarantee that Hoquiam Plywood will continue to use the Line instead of using the transload facility or keeping its facility closed, especially if PSAP increases its rates to cover the cost of rehabilitation. In a similar factual situation, the Board has granted an exemption permitting the cessation of rail service. See *Memphis Discontinuance*. Granting this exemption, therefore, fosters sound economic conditions and encourages efficient management by permitting the rationalization of an unnecessary rail line. 49 U.S.C. § 10101 (3), (5) and (9). Other aspects of the rail transportation policy are not adversely affected.

B. This Transaction Is Of Limited Scope

The proposed transaction is of limited scope. PSAP seeks to abandon an 8.344-foot long rail line in one county and one city in Washington State.

C. This Transaction Will Not Result In An Abuse Of Market Power.

PSAP is abandoning the Line Hoquiam Plywood. the only shipper on the Line is using alternate service Even if the alternate service involves a higher cost, it is still less than the cost that PSAP would be required to charge to recover the cost of rehabilitation

COMBINED ENVIRONMENTAL AND HISTORIC REPORT

A Combined Environmental and Historic Report is in Exhibit B

FEDERAL REGISTER NOTICE

A draft Federal Register notice is attached hereto as Exhibit C

LABOR PROTECTION

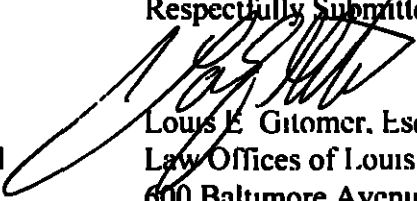
The interests of railroad employees of PSAP who may be adversely affected by the proposed abandonment will be adequately protected by the labor protective conditions in *Oregon Short Line R Co --Abandonment--Goshen*, 360 I C C 91 (1979)

CONCLUSION

Application of the regulatory requirements and procedures of 49 U S C § 10903 to the abandonment of the Line proposed by PSAP is not required to carry out the rail transportation policy set forth in 49 U S C § 10101, as previously shown. Nor is Board regulation required to protect shippers from the abuse of market power. Moreover, this abandonment is of limited scope. Accordingly, PSAP respectfully requests the Board to grant an exemption for the proposed abandonment of the Line.

Respectfully Submitted,

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Attorneys for PUGET SOUND & PACIFIC
RAILROAD COMPANY

Dated January 29, 2009

EXHIBIT A-MAP

MAP OF THE 8,344-FOOT PORTION OF THE HORN SPUR IN HOQUIAM, WA

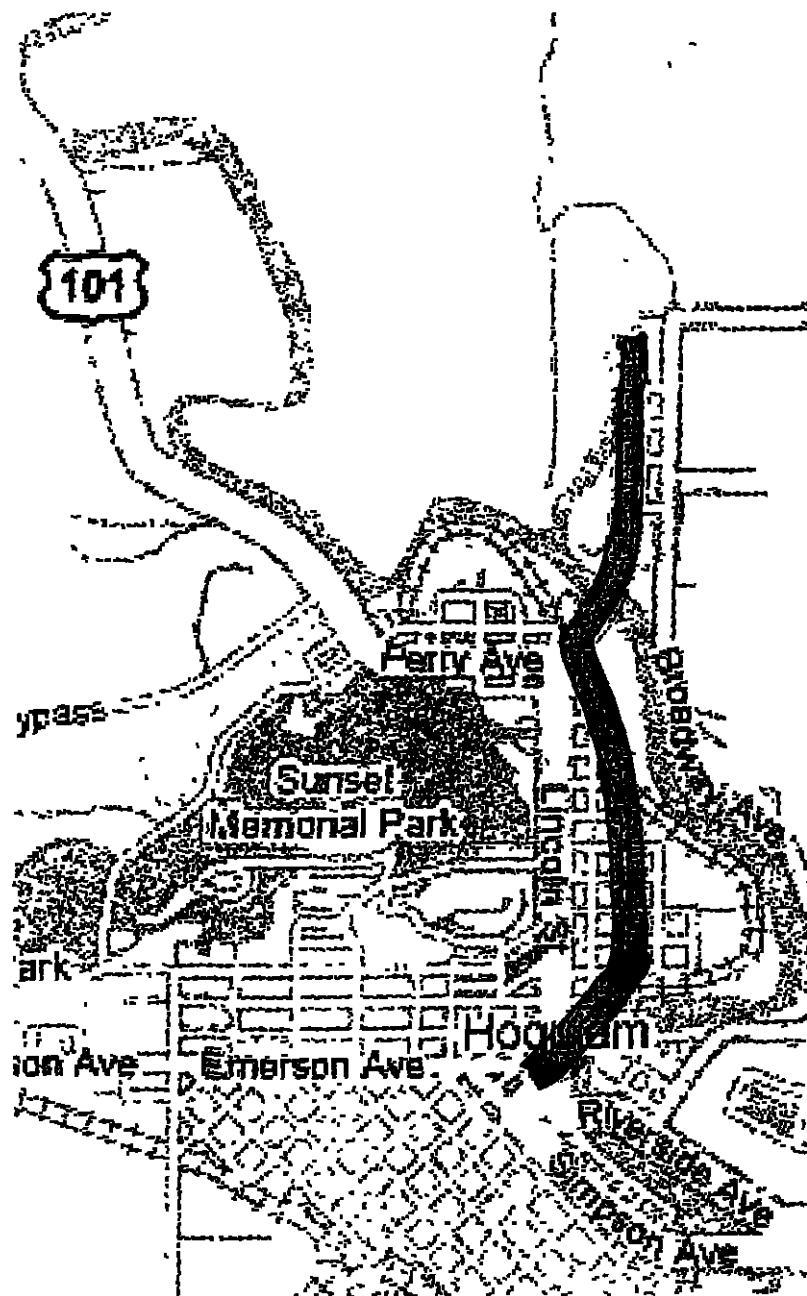


EXHIBIT B—FEDERAL REGISTER NOTICE

PUGET SOUND & PACIFIC RAILROAD COMPANY—ABANDONMENT EXEMPTION—
IN GRAYS HARBOR COUNTY, WA

Notice of Petition for Exemption to Abandonment

On January 29, 2009 Puget Sound & Pacific Railroad Company (“PSAP”) filed with the Surface Transportation Board, Washington, D C 20423, a petition for exemption for the abandonment of 8,344-foot long rail line that begins just south of where the railroad line crosses US Highway 101 and proceeds in a northerly direction for 8,344 feet to the end of the line. in Grays Harbor County, WA, all of which traverses through United States Postal Service ZIP Code 98550 (the “Line”) The Line for which the abandonment exemption request was filed includes the station of Hoquiam

The Line does not contain federally granted rights-of-way Any documentation in the railroad’s possession will be made available promptly to those requesting it

The interest of railroad employees of PSAP will be protected by Oregon Short Line R Co —Abandonment—Goshen, 360 I C C. 91 (1979)

Any offer of financial assistance will be due no later than 10 days after service of a decision granting the petition for exemption

All interested persons should be aware that following abandonment of rail service and salvage of the line, the line may be suitable for other public use, including interim trail use Any request for a public use condition and any request for trail use/rail banking will be due no later than 20 days after notice of the filing of the petition for exemption is published in the Federal Register

Persons seeking further information concerning abandonment procedures may contact the Surface Transportation Board or refer to the full abandonment or discontinuance regulations at 49 CFR part 1152. Questions concerning environmental issues may be directed to the Board's Section of Environmental Analysis.

An environmental assessment (EA) (or environmental impact statement (EIS), if necessary) prepared by the Section of Environmental Analysis will be served upon all parties of record and upon any agencies or other persons who commented during its preparation. Any other persons who would like to obtain a copy of the EA (or EIS) may contact the Section of Environmental Analysis. EAs in these abandonment proceedings normally will be made available within 60 days of the filing of the petition. The deadline for submission of comments on the EA will generally be within 30 days of its service.

EXHIBIT C-NEWSPAPER CERTIFICATION

CERTIFICATE OF PUBLICATION

The undersigned hereby certifies that notice of the proposed abandonment in Docket No AB-1023 (Sub-No 1X) was advertised on January 21, 2009 in The Daily World, a newspaper of general circulation in Grays Harbor County, WA, as required by 49 C F R § 1105.12

A handwritten signature in black ink, appearing to read "L. Gitomer", is written over a horizontal line.

Louis E. Gitomer
January 29, 2009



P O Box 269
315 S Michigan St
Aberdeen, WA
98520

Affidavit of Publication

The undersigned being first duly sworn oath depose and says The he/she is the Principal Clerk of the Daily World, which is a legal newspaper printed and published in the City of Aberdeen Grays Harbor County Washington of general circulation in said City, County and State that the

Law Offices of Louis E. Gitomer
AD# 63931

of which the attached is a printed copy, was published in said newspaper on the

State of Washington
County of Grays Harbor
Account Number 0

21 day of January 2009
____ day of _____ 2009
____ day of _____ 2009
____ day of _____ 2009
____ day of _____ 2009
____ day of _____ 2009
____ day of _____ 2009
____ day of _____ 2009
____ day of _____ 2009

the said newspaper was generally circulated during all said time, and has been published more than six months prior to the dates of the publication of this legal document, and that notice was published in the newspaper proper, and not in supplied form

of fee charged for this publication is \$ 116.33

PO Number _____

Principal Clerk

in to me this 21 day of January, 2009

ary Public for the State of Washington Grays Harbor County Washington

NANCY M. BARNETT

NOTARY PUBLIC

STATE OF WASHINGTON

My Commission Expires Oct. 09, 2010

LEGAL NOTICE
Puget Sound & Pacific Railroad Company gives notice that on or about January 21, 2009 it intends to file with the Surface Transportation Board, Washington, DC 20423, a petition for exemption under 49 U.S.C. 10502 from the prior approval requirements of 49 U.S.C. 10903, et seq., permitting the abandonment of a 8,344-foot long rail line that begins just south of where the railroad line crosses US Highway 101 and proceeds in a northerly direction for 8,344 feet to the end of the line which traverses through United States Postal Service ZIP Code 98550 in Grays Harbor County, WA. The proceeding has been docketed as No. AB1023 (Sub No. 1X).
The Board's Section of Environmental Analysis (SEA) will generally prepare an Environmental Assessment (EA), which will normally be available 60 days after the filing of the petition for abandonment exemption. Comments on environmental and energy matters should be filed no later than 30 days after the EA becomes available to the public and will be addressed in a Board decision. Interested persons may obtain a copy of the EA or make inquiries regarding environmental matters by writing to SEA, Surface Transportation Board, Washington, DC 20423 or by calling SEA at 202-245-0295.
Appropriate offers of financial assistance to continue rail service can be filed with the Board. Requests for environmental conditions, public use conditions, or rail banking/trails use also can be filed with the Board. An original and 10 copies of any pleading that raises matters other than environmental issues (such as trails use, public use, and offers of financial assistance) must be filed directly with the Board's Office of the Secretary, 395 E Street, S.W., Washington, DC 20423. See 49 CFR 1104.1(a) and 1104.3(a), and one copy must be served on applicants' representative. See 49 CFR 1104.12(a). Questions regarding offers of financial assistance, public use or trails use may be directed to the Board's Office of Congressional and Public Services at 202-245-0238. Copies of any comments or requests for conditions should be served on the applicant's representative Louis E. Gitomer, Law Offices of Louis E. Gitomer, 600 Baltimore Avenue, Suite 301, Towson, MD 21204; Lou.Gitomer@verizon.net; 410-296-2250. Publish January 21st 2009 The Daily World 63931

EXHIBIT D—CERTIFICATE OF SERVICE

CERTIFICATE OF SERVICE

Pursuant to 49 C.F.R. §1152.60(d), the undersigned hereby certifies that the Petition for Exemption in Docket No. AB-1023 (Sub-No. 1X), *Puget Sound & Pacific Railroad Company—Abandonment Exemption—in Grays Harbor County, WA* was mailed via first class mail, postage prepaid, on January 29, 2009, to the following parties:

State Public Service Commission

Washington Utilities and Transportation Commission
P.O. Box 47250
Olympia, WA 98504

Military Surface Deployment and Distribution Command Transportation Engineering Agency

Headquarters
Military Surface Deployment and Distribution Command
Transportation Engineering Agency
ATTN: SDTE-SA (Railroads for National Defense)
709 Ward Drive, Building 1990
Scott AFB, IL 62225-5357

National Park Service

U.S. Department of Interior
National Park Service
Land Resources Division
1201 Eye Street, N.W.
Washington, DC 20005

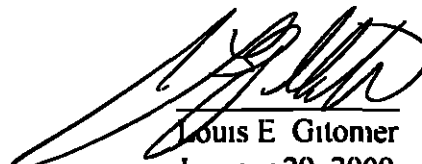
Ms. Cherri Espersen
National Recreation Trail Coordinator
Rivers, Trails and Conservation Assistance Program National Park Service
1849 C Street, NW (Org Code 2240)
Washington, DC 20240-0001

U.S. Department of Agriculture

U S Department of Agriculture
Chief of the Forest Service
4th Floor, NW
Sidney R Yates Building
201 14th Street, S W
Washington, DC 20250

Hoquiam Plywood Company, Inc.

Hoquiam Plywood Company, Inc
1000 Woodlawn Avenue
Hoquiam, WA 98550



Louis E Gitomer
January 29, 2009

EXHIBIT E—MARK D. BADER VERIFIED STATEMENT

**PUGET SOUND & PACIFIC RAILROAD COMPANY
—ABANDONMENT EXEMPTION—IN GRAYS HARBOR COUNTY, WA**

VERIFIED STATEMENT OF MARC R. BADER

My name is Marc R Bader I am Chief Line Engineer, West Region, of RailAmerica, Inc (“RailAmerica”), a shortline holding company that controls the Puget Sound & Pacific Railroad Company (“PSAP”) I am responsible for engineering and maintenance activities for eight regional and shortline railroads owned by RailAmerica that are located along the West Coast of the United States, including PSAP My business address is 1100 Main Street, Suite 210, Woodland, CA 95695 I graduated from Washington University in St Louis, MO in 1992 with a Bachelor of Science degree in civil engineering Following graduation, I worked for Atchison, Topeka, and Santa Fe Railway and for Burlington Northern Santa Fe Railroad for approximately 11 years, in a variety of railroad engineering positions, including roadmaster, assistant division engineer and division engineer I have been in my present position with RailAmerica for more than five years

I am familiar with PSAP’s 8,344-foot long rail line that begins just south of where the railroad line crosses US Highway 101 and proceeds in a northerly direction for 8,344 feet to the end of the line, in Grays Harbor County, WA (the “Line”)

I will discuss the value of the track and materials on the Line, the cost of rehabilitation of the Line, and the annual maintenance-of-way costs once the Line is rehabilitated

1. Value of Track and Materials. Each of the RailAmerica subsidiary railroads that I am responsible for maintains an inventory of track and materials on its lines under my supervision. In addition, each railroad conducts regular inspections of its lines to maintain the accuracy of the inventory and the condition of the inventory. Attached as Appendix 1 to this verified statement is the list of inventory on the Line.

The inventory includes rail, other track material ("OTM"), ties¹, signals and turnouts. The rail, OTM, and turnouts are classified as relay, reroll, or scrap. The valuations are based on recent quotations obtained by PSAP and RailAmerica from rail suppliers and quotations in national publications. Liquidation costs are based on my experience with the cost of removal and transportation and recent quotations received by PSAP and RailAmerica for removal and transportation.

As shown in Appendix 1, the net liquidation value of the railroad asset will be \$24,997.

2. Rehabilitation. The Line has been embargoed due to track and bridge conditions. Prior to the embargo, the Line was FRA excepted track. The Line requires substantial rehabilitation to be returned to FRA Class 1 condition. An analysis of the cost of rehabilitation has been prepared by PSAP and an independent study of the cost to rehabilitate the Line to FRA Class 1 condition has been prepared by HDR Engineering, Inc. at the request of the City of Hoquiam in a document entitled Hoquiam Branch Rehabilitation Plan (the "Rehabilitation Plan"). The Rehabilitation Plan is Appendix 2. Both PSAP's rehabilitation estimate and the Rehabilitation Plan show a rehabilitation

¹ It should be noted that scrap ties have a negative valuation because the cost of removal and disposal exceeds the value of the tie.

cost of the magnitude that does not warrant the investment by PSAP. The traffic and revenue on the Line do not justify the investment.

PSAP estimates the cost of rehabilitating the Line to FRA Class 1 condition to be \$1,407,610. The Rehabilitation Plan estimates the cost of rehabilitating the Line to be \$925,921.² Although PSAP's estimate and the Rehabilitation Plan do not propose spending the same amount on rehabilitation, both demonstrate the substantial magnitude of rehabilitation required for this 8,344-foot long rail line.

PSAP's rehabilitation estimate includes spending \$778,000 on the bridges on the Line, \$62,300 on sheetpiling to stabilize the sloughing on the north river bank³, \$55,930 for ties at 600 ties per mile and \$59.00 dollars per tie (including labor), \$14,220 for ballast and surfacing, and \$497,160 for repairing the portion of the line that runs down Polk Street (including rail, ballast and asphalt).

The two major differences in the cost of rehabilitation between the Rehabilitation Plan and PSAP's estimate are the costs to repair the bridges (PSAP \$840,300 (including sheetpiling) and the Rehabilitation Plan \$731,250 (including the contingency charge)).

² The Rehabilitation Plan estimates the cost to rehabilitate an 11,820 foot long line. PSAP is only abandoning an 8,344 foot long line. The difference in length occurs where the Rehabilitation Plan begins at the southern end. By reducing the length of track in Segment A of the Rehabilitation Plan from 5,382 feet to 1,906, the length of track is the same. I have reduced the rehabilitation cost of Segment A on a pro rata basis for Gauging Rail and Spot Tamping $((5,382 - 1,906) / 5,382 \times 4,053 \times \$12) - (5,382 - 1,906) \times \12) $\times 1.25$ (Rehabilitation Plan contingency)) and by the listed cost for Joint Rehabilitation and Tie Replacement $((\$3,283 + \$4,485) \times 1.25)$ for a total of \$101,115 and thus reduced the overall rehabilitation cost in the Rehabilitation Plan to \$925,921 (\$1,027,036 - \$101,115).

³ Appendix 3 contains pictures of the bank of the Hoquiam River near the bridge. The condition of the bank is referred to as sloughing where the earth separates so a portion will be eroded by the adjacent water. This undermines the integrity of structures constructed on the land where the sloughing occurs.

and the cost to repair Polk Street (PSAP \$497,160 and the Rehabilitation Plan \$42,914 (including the contingency charge)) Photographs of Polk Street are in Exhibit 3

The difference in bridge rehabilitation costs arises because the Rehabilitation Plan is based on a " cursory review " of the swing bridge that did not include detailed member inspections The PSAP estimate, on the other hand, is based on an estimate received from a bridge repair contractor following a detailed inspection of the bridge, resulting in an increased rehabilitation cost of \$109,050

In my opinion, PSAP's estimate for the Polk Street rehabilitation is more reasonable The Rehabilitation Plan only corrects the gauge of the rail, spot tamps the line, and performs joint rehabilitation It does not replace rail, ties, or asphalt to support the railway and vehicular traffic in order to maintain a smooth roadway surface The Rehabilitation Plan does not allocate costs for removal of any of the track or other material in the Line in Polk Street, other than for 2 turnouts Nor does the Rehabilitation Plan include the labor costs to replace ties or other material in Polk Street The Rehabilitation Plan does not include costs for rail or for asphalt, much less the costs of preparing the Line to replace rail and asphalt by removal of the existing material. The Rehabilitation Plan has substantially underestimated the cost of repairing the Polk Street segment by only addressing temporary fixes that will result in continued high maintenance costs The PSAP rehabilitation cost of the Polk Street segment is more in line with the work required by the condition of the Polk Street segment The difference is \$454,246

The cost of rehabilitation proposed by the Rehabilitation Plan should be increased by \$563,296 to \$1,489,217, in which case, the rehabilitation cost proposed by PSAP is

less. Regardless of the cost of rehabilitation, it far exceeds the annual revenue generated by the Line, or even the revenue generated over 10 years. Investment in rehabilitating the Line would not generate a positive return for PSAP.

3. Maintenance-of-way. I have reviewed the recent costs per mile adopted by the Surface Transportation Board for Class III railroads for maintenance of way costs. Those costs range between \$4,500 and \$6,000 per mile. Based on consultation and experience, I believe use of \$5,000 per mile is conservative based on the bridges on the Line and the operation of the Line down the middle of Polk Street and Levee Street. Annual maintenance costs for the 8,344-foot line will be \$7,901.52.

In addition, there are inspection costs on the Line. The Line is inspected on a weekly basis by one employee. The inspection usually takes one to three hours to complete because of the bridges and crossings on the Line. The hourly wages for an employee inspecting track on PSAP are \$16.45. In addition, employee benefits are about 72.5 percent of wages, and general administrative costs of 50 percent of wages. Therefore, to inspect the Line costs about \$42.56 per hour. Based on the average amount of time it takes to inspect the Line of two hours per week, inspection costs PSAP \$85.12 per week, and \$4,426.24 per year.

On this 8,344-foot line, the annual cost of maintenance would be about \$12,327.76.

VERIFICATION

I, Marc R. Bader, verify under penalty of perjury under the laws of the United States that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this Verified Statement.

Executed on January 17, 2009.



Marc R. Bader

APPENDIX 1-NET LIQUIDATION VALUE

Liquidation Value of Railroad Asset
PSAP Railroad - Horn Spur

January 26, 2009

RAIL										
Weight	Jnt./CWR	Miles	NT/Mile	Total NT	Total GT	Class	Price NT	Price GT	Total \$ NT	Total \$ GT
85lb	Jnt	1.83	137.63	251.87	224.88	scrap		\$275		\$61,842
100lb	Jnt	0.41	167.20	68.55	61.21	Reroll		\$275		\$16,832
Totals		2.24		320.42	286.09				Total Rail Value	\$78,674

OTM										
Weight	Jnt./CWR	Miles	NT/Mile	Total NT	Total GT	Class	Price NT	Price GT	Total \$ NT	Total \$ GT
75lb	JNT	1.83	40.0	73.20	65.36	scrap		\$275		\$17,973
100lb	JN1	0.41	55.3	22.67	20.24	relay		\$750		\$15,183
Totals		2.24		95.87	85.60				Total OTM Value	\$33,156

Ties (Removal & Market)						Signal Appliances			
Class	%	Miles	Total Ties	Price Ea.	Total	Type	Quantity	Unit Price	Total
#1 Relay	0%	2.2		\$12		Lights	1	\$0	
#2 Relay	20%	2.2	1344	\$8	\$10,752	Gates	0	\$5,000	
Landscape	30%	2.2	2016	\$4	\$8,064	Total all Signals			
Scrap	50%	2.2	3360	\$5	\$16,800				\$0
Total Tie Value					\$2,016				

Turnouts										
Weight	Type	Qty	NT/TO	Total NT	Total GT	Class	Price EA	Price GT	Total \$ Each	Total \$ GT
85lb	No 9	3	1.8	5.49	4.90	scrap		\$275		\$1,348
Totals		3		5.49	4.90					\$1,348

Liquidation Costs				
	Unit	Cost	Quantity	Total
Remove Swing Span Br	LA	\$0	1 (0)	
Dismantle Rail (Jointed)	NT	\$50	416 NT	\$20,814.6
Transport Rail & OTM	N1	\$35	422 N1	\$14,762.4
Transport Ties	LA	\$2	6,720	\$15,120.0
Remove Relay Turnouts	LA	\$2,000	3	\$6,000.0
Remove Crossing Signal	EA	\$1,500	1	\$1,500.0
Restore Crossings	LA	\$4,000	8	\$32,000.0

Gross Liquidation Value	\$115,194
Total Liquidation Costs	\$90,197
Net Liquidation Value	\$24,997

APPENDIX 2–REHABILITATION PLAN

Hoquiam Branch Rehabilitation Plan



Prepared by HDR Engineering, Inc
Portland, Oregon

June 2008

Hoquiam Branch Rehabilitation Plan

**Prepared for the
City of Hoquiam, WA**

**By
HDR Engineering, Inc.**

Draft

June 27, 2008

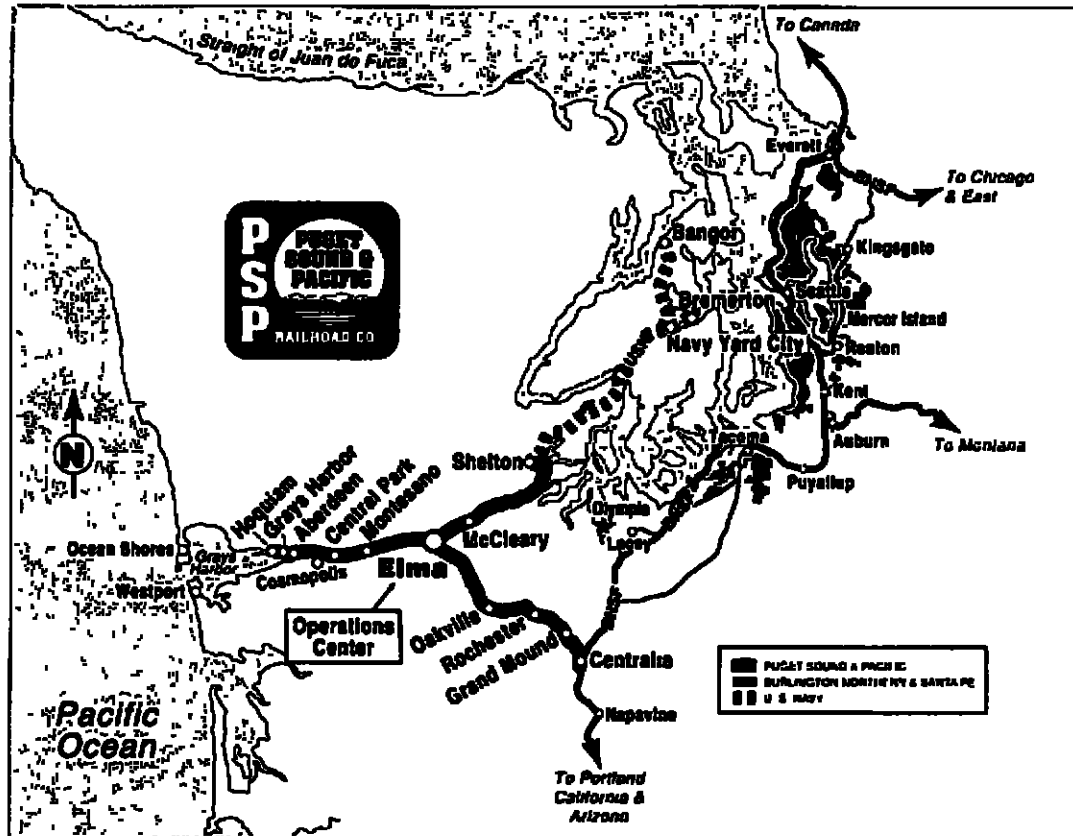


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Exhibits

1 0 Puget Sound and Pacific Railroad – System Map



Executive Summary

Overview

The Port of Grays Harbor is linked by rail to BNSF's mainline in Centralia by the 58.95-mile-long Harbor Branch Main (Exhibit 1). This rail connection is operated by the PSAP, a subsidiary of RailAmerica. The trackage is primary single mainline with industry spurs scattered along the rail line. The railroad was purchased from BNSF in 1997. The railroad serves a few industrial customers but primarily carries agricultural products to the Port of Grays Harbor and lumber products for distribution out of the area. In most locations it is the only railroad which offers direct service to its customer base. The Hoquiam Branch had previously provided twice a week rail service to the Hoquiam Plywood fabrication facility. The high quality of Hoquiam Plywood's product has created a constant demand for their plywood throughout the nation. Consequently, PSAP spots in and pulls in the range from 3-5 cars a week. Hoquiam plywood relies on the PSAP rail link to transport their goods economically and efficiently to the nation's markets.

However, to access Hoquiam Plywood's facility, it is necessary for PSAP to operate on the Hoquiam Branch. This industrial spur connects with the Aberdeen Branch Main just south of the Hoquiam Central Business District (CBD). From that location, the Hoquiam Branch follows the Hoquiam River along Levee Street crossing at-grade several road crossings before running up the center of Polk Street. From there, after being routed through a series of reversing curves, the track crosses over the Hoquiam River on a moveable span bridge. Approximately one half mile north of the bridge, the track enters the Hoquiam Plywood facility.

Portions of the Hoquiam Branch, from its connection with the Aberdeen Branch up to and including the trackage inside the Hoquiam Plywood facility, a length of approximately 2.5 miles, are limited to 5 MPH. This slow speed is the result of the poor condition of the track. PSAP has installed ties at several locations, but the track section within the in-street running through Polk Street and the moveable span bridge are in extremely poor condition. These track segments are expensive to rehabilitate. As a result, PSAP limits train operations to 5-10 MPH. Consequently, PSAP train crews require two to three hours to spot and pull Hoquiam Plywood. Other ancillary costs to PSAP to provide service include the cost of a bridge tender to operate the moveable span bridge and the cost to repair trackage as PSAP cars and switch engine often derailed while servicing this facility. At these costs, it is difficult for PSAP to continue to provide rail service to this vital facility.

Given the significance of this railroad to the economic vitality of south west Washington, the City of Hoquiam has commissioned HDR to assess the physical condition of the PSAP Hoquiam Branch, and recommend improvements to reinstitute train service on the branch. It was beyond the scope of HDR to assess the level of business generated from the lines, the operating practices of the PSAP, or the viability of the lines as to if they are or could reasonably be revenue sufficient.

What is the purpose of this report?

The purpose of this report is to summarize and evaluate the existing railroad infrastructure and provide recommendations for maintenance and capital improvements based upon this assessment. This report defines each of the six segments and quantifies the condition of the track, rail, ties, turnouts, roadway crossings, bridges, and general right of way. During the early stages of the evaluation, it became apparent that PSAP had very little written inventory or other information on the specific locations and condition of its track and bridge assets.

For the purpose of this analysis, the branch will be described in segments

- A Aberdeen Branch to In-street running
- B In-Street running through Polk Street
- C End in-street running to Hoquiam River Bridge
- D Hoquiam River Bridge
- E North end Hoquiam River Bridge to end PSAP track
- F Hoquiam Plywood Facility Trackage

How was the inspection made and what was looked at?

The inspection of the Hoquiam Branch was made on May 13, 2008. It was made on foot. The team included a senior track engineer, junior track engineer and, a senior bridge engineer from HDR and the PSAP's Roadmaster.

Inspection included the following.

- Main tracks for rail and tie condition
- Turnouts
- Roadway crossings
- Bridges

The tracks were categorized by rail weight, tie condition, overall general conditions, and existing track speeds. Ties were rated and classified by replacement percentage. Turnouts were quantified and rated. Bridges were assessed as to length, span types, member components, general condition and general suitability for load carrying capability. Bridge inspection did not include detailed member inspection or calculations of

bridge ratings. A more detailed description of what was inspected and the rationale for rating these items can be found in appendix A.

What rehabilitation alternatives were considered?

Assuming a 25 year operating life the lines were considered for train operations under the following scenarios:

- 10 mile per hour operations (the base case)
- 25 mile per hour operations (the preferred case)

Each case has its own specific requirements for track and bridges that will allow for safe and sustainable operations at those speeds and under those loading conditions. The base case is considered a minimum threshold.

The assessment was made and the recommendations were made based on the experience of the inspector(s) and generally acceptable standards within the railroad industry. Particular attention was given to the fact that the line does not have any significant volume of trains or tonnage. Although the train traffic on this line is essential and vital for the economy of the areas that it serves, the line need only meet standards for light branch line or minimal traffic shortline operations. This for example led us to recommend very little rail replacement and we primarily focused on adding strength to the track structure thru ties, ballast, and surfacing. We were told that traffic was expected to grow only marginally over time and no major changes to existing traffic was to be considered.

Accepted railroad industry average order of magnitude unit costs were used to develop estimated capital program costs.

What are the recommendations?

Specific details and quantities of recommended work is shown in the line segment summaries (Chapter 2) and the cost estimates in Appendix C. These recommendations take into account that the work is envisioned to be done immediately.

Recommended rehabilitation costs for track and bridges (2008 dollars) is:

Base Case (10 MPH)

\$1,000,000

The base case includes installation of new ties, spot tamping, joint rehabilitation, and repair of three bridges.

Preferred Case (25 MPH)

\$??

The preferred case includes installation of ??.

Chapter One

Introduction

Scope of Work and Intent of Report

Our task was to look at the physical condition of the track and bridges and make rehabilitation recommendations based on two criteria. Sustainable 10-mile per hour operations, sustainable 25-mile per hour operations. The assessment was based on achieving a minimum 25 year life cycle for each element inspected

Physical Inspection and Inventory

There are six segments, each of which was viewed in its entirety, where data was collected and evaluations made as to its condition. The inspection took place over one day on May 13, 2008. The following was done

Foot Inspection of Track

Each segment of track was viewed on foot. During this inspection, the condition of track alignment and profile were evaluated as well as observations made as to drainage, vegetation, and overall right of way issues. At-grade crossings, both public and private, were recorded as to number of tracks, type of crossing surface (plank, flange rail, asphalt, rubber, etc), type of roadway surface (dirt, gravel, bituminous, concrete), type of crossing protection (x-bucks, private signs, flashers etc), number of vehicular travel lanes (1, 2, 4 etc), and overall condition of the crossing (good, fair, poor)

The ratings were categorized as either excellent, good, fair, poor, or defective. During this inspection, observed rail defects were also noted. These included joint bars that were broken or cracked, missing track bolts, and cracked or broken rails.

Foot Inspection of Turnouts

Each turnout was walked and information was collected as to the turnout's attributes (location, size, rail weight, direction of throw) and the condition of the switch points, frog, and switch ties (poor, fair, good)

Bridge Inventory and Review

A cursory review of each bridge was done from the bridge deck, the two ends (approaches), and wherever possible from below. Pictures were taken and the general condition of the deck and railing systems were noted. We measured the height of the bridge at mid span, the length of

each span, and the size of ties, stringers and caps. The configuration of each bent was recorded and any obvious problems noted during a cursory observation were noted. The average time spent at each bridge was between 10 and 30 minutes, just enough time to inventory the structure. These bridge reviews were not a substitute for a detailed bridge inspection. We did not review individual members for soundness or integrity nor did we probe beneath the ground line where piling are most susceptible to decay. A more detailed inspection is warranted if a true rating or more detailed condition report of the bridges are desired.

Review and Summary of Data

Following the field review, the data was reviewed for completeness and checked against and coordinated with other PSAP furnished data sources for accuracy. Other data sources reviewed included the printed former BNSF Station and Right-of-way maps. Information from these included curve information, general descriptions of main track rail, length of side tracks, and bridge and turnout survey station locations. These documents were not provided prior to the inspections and were not used during inspection.

For photographic depictions of the sites, segments or project components discussed in this report, refer to Appendix D, Project Photographs.

Chapter Two

Description of Line Segments

Summary of the Segments

The six segments are identified as follows

Segment Name	Approx. Length (Feet)
A. Aberdeen Branch to In-street running	5,382 feet
B In-Street running through Polk Street	1,381 feet
C. End in-street running to Hoquiam River Bridge	2,565 feet
D Hoquiam River Bridge	449 feet
E North end Hoquiam River Bridge to end PSAP track	2043 feet
F. Hoquiam Plywood Facility Trackage	968 feet
Total	12,788 feet

General Recommendations

In general, it was observed that the condition of the Hoquiam Branch is in extremely poor condition, but has not deteriorated to the level that rehabilitation is no longer practical. By in large the first mile of Segment A and Segment F are in good 10 mile per hour condition. Ties have been installed where they would do the most good and they were installed properly.

For the most part, ties are in fair to poor condition, although there is plenty of reason to be concerned that tie condition will shift primarily from fair condition to poor within the next 10 to 15 years. Railroads like the PSAP, fail or survives primarily on the condition of its ties. Within 10 years, all of the Hoquiam Branch track will be out of service entirely or will be operated under Excepted Classification unless this trend is reversed.

Rail condition is not of concern for 10 mile per hour operations, however, if 25 mile per hour speeds are required, several miles of very light rail will need to be replaced with heavier rail. Very few loose or missing track bolts were observed and other than a problematic joint bar areas throughout, track joints can be maintained with standard maintenance practices.

Turnouts which are still in use are generally fair to good but many need to be addressed in the near future to save them. Switch points need to be ground and adjusted and frogs need to be welded and ground. A little

attention to these turnouts will greatly prolong their life. The two no longer used turnouts are in poor condition and should be removed and replaced with track.

Existing line and surface are fully adequate for 10 mile per hour operations for the first 1,000 feet of Segment A and all of Segment I. None of the segments are fully adequate for 25 mile per hour operations. Line and surface on the northerly portion of Segment A and all of Segment B is a problem and will continue to be due to the underlying subgrade condition as it built in-pavement.

Bridges are at or near the end of their useful service lives and must be addressed. Most bridges on these segments are timber structures built nearly 100 years ago with a useful design life of 75 years. It is reasonable to assume that within 20 years, the timber structures on the Hoquiam Branch will need to be replaced.

The following is a description of each of the six segments along with recommendations.

SEGMENT A: Aberdeen Branch to In-Street Running

This segment begins at the No. 9 left-hand turnout on the PSAP Aberdeen Branch Survey Station 336+60 on the east end of the PSAP's Hoquiam Yard and proceeds northerly to the beginning of in-street running in Polk Street. Prior to discontinuation of service the segment was slow ordered to 10 miles per hour.

The line was inspected on May 13, 2008. A summary of major elements along the segment include:

Main Track Length in Feet	5,382
% of 85 lb jointed rail	60
% of 100 lb plus jointed rail	40
Number of Public Crossings	2
Number of Private Crossings	0
Number of Turnouts	1
Number of Bridges	1
Feet of Curves	2,050

Visually inspection of the rail of the in-street pavement section was not possible but we have assumed that the rail 85 lb jointed rail.

General Conditions noted include

Rail

The line is predominantly jointed rail of light to medium weight in generally good condition. Most of the curves on the 85 lb segments have been relayed since construction of the line with 100 lb or heavier jointed rail. Rails are joined with standard 24-inch long joint bars secured with track bolts, nuts, and lock washers. The joints between Karr Avenue and Polk Street are mismatched. Anchors are present and the tie plates are of single shoulder design.

The 90 lb or lighter jointed rail is particularly prone to cracking in the joint bars. During our visual inspection in this area we observed that an average of 15% of all joint bars had developed cracks in the bolt hole area. This is a high percentage. Most of these cracks emanated from the outer bolt holes in the joint bars (quarter cracks) and in accordance with FRA safety standards would allow for speeds of up to 10 mile per hour. Speeds of 25 mph would not be allowed over these same bars. It is recommended that the joints be rehabilitated to operate at 10 mph. If this section of track is to be operated at 25 mph, it is recommended that the track be rebuilt with new joint 115 lb industrial grade rail and appropriate track appurtenances.

Line and Surface

The line is composed of gravel ballast. The depth of ballast on the line was not determined, but is most probably of minimal depth. General alignment and surface conditions for the track, which is curved, is poor with wide track gauge and requires immediate attention. Except for the in-street track section the drainage on the segment is good. The alignment is relatively curvy with 75 percent of the total main track curved.

Cross Ties

Along the segment the following percentage of the ties were noted to be defective and requiring replacement:

- Between Aberdeen Branch to the start of asphalt just beyond Simpson Avenue - 40 percent
- Between start of asphalt just beyond Simpson Avenue to the end of Segment A – 50 percent

Under the 10 mph case, we recommend installing 40 percent of the ties between the Aberdeen Branch and the start of asphalt in-street track. Any disturbance the in-street track will require complete replacement and is not

warranted for 10 mph operation. At 25 mph, the entire segment is recommended for ties renewal

Turnouts

There is one No 9 LH turnouts on this segment located just south of the Simpson Avenue overpass. This turnout is in a curve No repair is required for 10 mph operation. The switch points should be replaced and frog maintained for 25 mph operation however.

At-Grade Crossings

There are two public at-grade crossing, one public overpass, two pedestrian crossing, and multiple private crossings on this segment One public at-grade crossing (Riverside Avenue) includes automatic flashing light signals while the other only cross bucks The condition of the crossings is fair 1,592 track feet of segment runs down Levee Street with asphalt between and outside the rails There are several locations on the segment where the gravel has been placed between and outside the rails to provide a temporary crossing No repair to the at-grade is required for 10 mph operation Only the joint maintenance will be done to run 10 mph For 25 mph operation all at-grade crossing and in-street track should be replaced with new

Bridges

The one bridge on this segment is comprised of creosote treated timber members with creosote treated timber tie open decks The bridge is a two span, 15-foot long span structure The bridge crosses a small creek or drainage The bridge appears to have a vertical curve on that bridge and the bridge approach is damaged Based on available Station maps and typical historical railroad construction practices, it is estimated that the current structures were constructed in the 1910s and are approximately 95 years old. The treated timber decks have probably been replaced at least once in that time frame

A typical bent consists of five creosote treated timber piles with cross bracing supporting a treated timber cap supporting two chords of four 9"x17" treated timber stringers supporting 8x8 treated timber deck ties The bridges had no deck walkway and railing systems Based on the above field determined information, it is estimated that the original design loading for these bridges was approximately equivalent to a Cooper's E-60 loading. The actual load carrying capability would be based on the current condition of the structure As the structure ages, increasing defects due to mechanical wear and natural forces, such as decay, typically cause a reduction in load carrying capability.

The support for the sills could not be verified. We understand that the former operator/owner, BN, had the Osmose Company perform in-situ maintenance activities in the mid-1980's to extend the lifespan of the existing structures. This treatment typically has a lifespan of approximately 15 years and has not been repeated based on field observations and comments from the operating railroad's representative.

We have recommended repairing the bridge approach for the 10 mph case and removing the vertical curve in the middle of the bridge for the 25 mph case.

Recommendations

The following work is recommended for this segment to provide for safe and reliable 10 mile per hour operations. The column immediately to the right of the 10 mph recommendation is the additional incremental work to achieve a safe and reliable 25-mile per hour operation.

Table 2.1
Recommended Work on Segment A

Item	Unit	10 mph	25 mph
Furnish & Install Cross Ties (New)	EA		
Spot Tamp	TF		
Line and Surface Track	TF		
Remove Turnout	MI		
Replace Turnout (With New)	EA		
Adjust Turnout	EA		
Frog Maintenance (Weld & Grind)	EA		
Replace TO switch points (2 per turnout)	EA		
Joint Rehabilitation	FT		
Renew Grade Crossing Public (PAVED)	EA		
Renew Grade Crossing Surf (plank)	EA		
Repair Bridge	EA		

SEGMENT B: In-Street Running Through Polk Street

This segment begins at the intersection of Polk Street and Chenault Avenue and proceeds northerly 1381 feet through Polk Street to the intersection of Ramer Avenue and Polk Street. Prior to discontinuation of service the segment was slow ordered to 10 miles per hour.

The line was inspected on May 13, 2008.

A summary of major elements along the segment include:

Main Track Length in Feet	1,381
% of 85 lb jointed rail	100
% of 100 lb plus jointed rail	0
Number of Public Crossings	6*
Number of Private Crossings	0
Number of Turnouts	2
Number of Bridges	0
Feet of Curves	217

* Track constructed entirely in asphalt.

General Conditions noted include:

Rail

The line segment is predominantly jointed 85 lb rail generally good condition. Rails are joined with standard 24-inch long joint bars secured with track bolts, nuts, and lock washers. The joints are mismatched throughout the segment. Anchors are present and the tie plates are of single shoulder design.

The 90 lb or lighter jointed rail is particularly prone to cracking in the joint bars. During our visual inspection in this area we observed that an average of 15% of all joint bars had developed cracks in the bolt hole area. This is a high percentage. Most of these cracks emanated from the outer bolt holes in the joint bars (quarter cracks) and in accordance with FRA safety standards would allow for speeds of up to 10 miles per hour. Speeds of 25 mph would not be allowed over these same bars. It is recommended that the joints be rehabilitated to operate at 10 mph. If this section of track is to be operated at 25 mph, it is recommended that the track be rebuilt with new joint 115 lb industrial grade rail and appropriate track appurtenances.

Line and Surface

The line is composed of gravel ballast. The depth of ballast on the line was not determined but is most probably of minimal depth. General alignment and surface conditions for the track is poor with wide track gauge and mismatched joints which require immediate attention. As this segment is embedded entirely in asphalt the drainage is very poor. The alignment is relatively straight with 12 percent of the total main track curved.

Cross Ties

Under the 10 mph operation, we recommend installing no new cross ties. Any disturbance the in-street track will require complete replacement and is not warranted for 10 mph operation. At 25 mph, the entire segment is recommended for ties renewal.

Turnouts

There are two turnouts at the north end of Polk Street. We recommend removing both turnouts and build track back. Both switches are submarine, have not been maintained, and are inoperable. Also, recent derailments have occurred near these switches. According to Dan Franklin of Rail America, it is very likely that nobody ships from these industry leads.

At-Grade Crossings

There are a total of 6 public at-grade crossings on this segment including Polk Street. The crossings do not include automatic flashing light signals, only cross buck protection. The condition of the crossings are poor. The entire 1,381 track-feet of segment runs down Polk Street with asphalt between and outside the rails. The damaged asphalt around the track indicated tie pumping underneath the pavement. No repair to the at-grade is recommended for 10 mph operation. Any disturbance the in-street track will require complete replacement so only the joint maintenance will be done to run 10 mph. For 25 mph operation all at-grade crossing and in-street track should be replaced with new.

Bridges

There are no bridges on this segment.

Recommendations

The following work is recommended for this line segment to provide for safe and reliable 10 mile per hour operations. The column immediately to the right of the 10 mph recommendation is the additional incremental work to achieve a safe and reliable 25-mile per hour operation.

Table 2.2
Recommended Work on Segment B

<i>Item</i>	<i>Unit</i>	<i>10 mph</i>	<i>25 mph</i>
Furnish & Install Cross Ties (New)	EA		
Spot Tamp	TF		
Line and Surface Track	TF		
Remove Turnout	MI		
Replace Turnout (With New)	EA		
Adjust Turnout	EA		
Frog Maintenance (Weld & Grind)	EA		
Replace TO switch points (2 per turnout)	EA		
Joint Rehabilitation	FT		
Renew Grade Crossing Public (PAVED)	EA		
Renew Grade Crossing Surf (plank)	EA		
Repair Bridge	EA		

SEGMENT C: End In-Street Running to Hoquiam River Bridge

This segment begins at the end of Polk Street in-street running and proceeds 2,565 track feet to the south end of the Hoquiam River Bridge. Prior to discontinuation of service the segment was slow ordered to 10 miles per hour.

The line was inspected on May 13, 2008.

A summary of major elements along the segment include:

Main Track Length in Feet	2,565
% of 85 lb jointed rail	100
% of 100 lb plus jointed rail	0
Number of Public Crossings	1
Number of Private Crossings	1
Number of Turnouts	2
Number of Bridges	0
Feet of Curves	527

General Conditions noted include:

Rail

The line is jointed rail of light weight in generally poor condition. The rails are joined with standard 24-inch long joint bars secured with track bolts, nuts, and lock washers. Anchors are present and the tie plates are of single shoulder design. It is recommended that the joints be rehabilitated to operate at 10 mph. If this section of track is to be operated at 25 mph, it is recommended that the track be rebuilt with new joint 115 lb industrial grade rail and appropriate track appurtenances.

Line and Surface

The line is composed of gravel ballast. The depth of ballast on the line was not determined but is most probably of minimal depth. General alignment and surface conditions for the track, which is curved, is poor with wide track gauge in the curves. This will require immediate attention. Drainage on the segment is poor with evidence of fouled ballast. The alignment is relatively curvy with 20 percent of the total main track curved.

Cross Ties

Along the segment, 50 percent of the ties were noted to be defective or poor. Under the 10 mph and 25 mph cases, we recommend replacing 50% of all ties on the segment. At 25 mph, the entire segment is recommended for ties renewal.

Turnouts

There are no turnouts on this segment.

At-Grade Crossings

There is one private unprotected crossing on this segment which goes to the Lumber Plant. There are several locations on the segment where the gravel has been placed between and outside the rails to provide a temporary crossing. Near the private road crossing was evidence of a recent train derailment. No repair is required for 10 mph operation. The at-grade crossing should be replaced for 25 mph operation however.

Bridges

The southerly approach to the Hoquiam River Bridge is severely low causing damage to 6 ties south of the bridge.

Recommendations

The following work is recommended for this line segment to provide for safe and reliable 10 mile per hour operations. The column immediately to the right of the 10 mph recommendation is the additional incremental work to achieve a safe and reliable 25-mile per hour operation.

Table 2.3
Recommended Work on Segment C

Item	Unit	10 mph	25 mph
Furnish & Install Cross Ties (New)	EA		
Spot Tamp	TI		
Line and Surface Track	TF		
Remove Turnout	MI		
Replace Turnout (With New)	EA		
Adjust Turnout	EA		
Frog Maintenance (Weld & Grind)	EA		
Replace TO switch points (2 per turnout)	EA		

Joint Rehabilitation	FT		
Renew Grade Crossing Public (PAVED)	EA		
Renew Grade Crossing Surf (plank)	EA		
Repair Bridge	EA		

SEGMENT D: Hoquiam River Bridge

This segment encompasses the entire bridge 449 feet of structures over the Hoquiam River Bridge. The bridge was inspected on May 13, 2008.

The approach is to restore bridge to operation in a condition that would allow the bridge to be operated with normal expected maintenance to the bridges. The current level of operation at the bridge is highly manual and labor intensive. Some repairs are being made to allow operation from common points.

Items that are questionable are either being repaired or replaced at this level of study. A more detailed study would be needed to determine additional component life expectancy.

General Conditions noted include:

Rail

The segment on the bridge is primarily 85 lb rail. The lightweight rail is in generally poor condition. The rails are joined with standard 24-inch long joint bars secured with track bolts, nuts, and lock washers. Anchors are present and the tie plates are of single shoulder design. It is recommended that the joints be rehabilitated to operate at 10 mph. If this section of track is to be operated at 25 mph, it is recommended that the track be rebuilt with new joint 115 lb industrial grade rail and appropriate track appurtenances.

Line and Surface

This is covered under the bridge section.

Cross Ties

This is covered under the bridge section.

Turnouts

There are no turnouts on this segment.

At-Grade Crossings

There are no at-grade crossings on this segment

Bridges

General: The bridge is historic apparently built in the late 1890's. No marker plate was observed during the inspection to confirm actual date of construction. Rail dates on the bridge were noted to be 1898

- The North rest pier has the soil in front of it sloughing off. Install temporary sheet piling. Pier said to be on timber piling. Fill around pier and also treat timber piling.
- South rest pier leaning and is not secure. Re-anchor pier or replace pier as needed. Additional protection needed to protect pier. Pier reportedly damaged by the swing span in a high wind.
- Install a lock to secure swing span in the open position. Lock could be manual if installed at the north draw rest. This is the normal access on and off of the bridge for the operator.
- The south approach to the swing span is low and needs to be brought up to meet the swing span.
- Hand railing and walkway on the bridge are marginal. Install new walkway and hand railing the length of the span and for the access on the center pier. Standards to keep access to the span safe for the next 25 years. If we are expecting people to work on the deck to operate the span, then walkways should be provided to allow the span to be operated safely.
- Replace easer rail joints. Joints can be manual and pinned in place if desired for infrequent operation. For frequent operation, devices should be motorized. Rail too small for heavy loads. Gage is difficult to maintain.
- Miscellaneous metal repairs need to be done. Most required repairs are on non critical or secondary members. Cross bracing and truss lacing bars. We have assumed that the general nature of the historic span would have to be maintained.
- The control house has the majority of the electrical equipment on the bridge. The existing house is in a poor state of repair and leaks badly. House needs to be rebuilt to maintain electrical equipment.

- Machinery repairs are minor except that the bull gear at the operators house level should be replaced (Broken Tooth)
- Replace damage and broken lateral and cross bracing
- Anchor north rest pier to footing slab with anchor bolts to the slab
- Replace limit switches on the endlifts.
- Adjust the end lifts for proper alignment to the approaches. Approach span adjustment may also be required.
- Clean rack and rack pinion along with the rim wheel assemblies
- Repair rim spider bars
- Replace caser rail drive mechanism
- Replace navigation lighting (non functional)

Recommendations

Advisable recommendations are:

- Provide a dam around the operating machinery to prevent the water from over topping the center pier. Install industrial sump to pump out water during high water events.
- Span is relatively maintenance intensive. Important to not get behind on the maintenance. Installation of bearing lubricating pressure cups would maximize the bearing life.
- Center pier piling spears to be exposed during low water periods and there are voids reportedly and the piling can be seen. Piling needs to be protected so it is not exposed to the atmosphere which will greatly deteriorate the timber pile life. Osmose should do work on the piling to treat them prior to filling the voids under the pier. Other option would be to replace the approach pier.
- Riprap should be installed around the pier to protect the pier during high flow events.

SEGMENT E: North end Hoquiam River Bridge to End PSAP Track

This segment begins at the north end of the Hoquiam River Bridge and ends at the end of PSAP ownership. Prior to discontinuation of service the segment was slow ordered to 10 miles per hour

The line was inspected on May 13, 2008

A summary of major elements along the segment include:

Main Track Length in Feet	2,043
% of 85 lb jointed rail	100
% of 100 lb plus jointed rail	0
Number of Public Crossings	0
Number of Private Crossings	1
Number of Turnouts	0
Number of Bridges	1
Feet of Curves	467

General Conditions noted include:

Rail

The line is jointed rail of light weight in generally poor condition. The rails are joined with standard 24-inch long joint bars secured with track bolts, nuts, and lock washers. Anchors are present and the tie plates are of single shoulder design. It is recommended that the joints be rehabilitated to operate at 10 mph. If this section of track is to be operated at 25 mph, it is recommended that the track be rebuilt with new joint 115 lb industrial grade rail and appropriate track appurtenances.

Line and Surface

The line is composed of gravel ballast. The depth of ballast on the line was not determined but is most probably of minimal depth. General alignment and surface conditions for the track, which is curved, is poor with wide track gauge in the curves. This will require immediate attention. Drainage on the segment is poor with evidence of fouled ballast. The alignment is relatively curvy with 20 percent of the total main track curved.

Cross Ties

Along the segment, 50 percent of the ties were noted to be defective or poor. Under the 10 mph case, we recommend installing ties as described above. At 25 mph, the entire segment is recommended for ties renewal.

Turnouts

There are no turnouts on this segment

At-Grade Crossings

There is one private unprotected crossings in fair condition on this segment. No repair is required for 10 mph operation. The at-grade crossing should be replaced for 25 mph operation however.

Bridges

The bridge on this segment is primarily comprised of creosote treated timber members with creosote treated timber tie open decks. Deck ties are in poor shape. When stripping the deck, Repair and treat the stringers. Need to retreat the timber piling also.

The southerly approach to the Hoquiam River Bridge is severely low causing damage to ties north of the bridge.

Recommendations

The following work is recommended for this line segment to provide for safe and reliable 10 mile per hour operations. The column immediately to the right of the 10 mph recommendation is the additional incremental work to achieve a safe and reliable 25-mile per hour operation.

Table 2.5
Recommended Work on Segment E

Item	Unit	10 mph	25 mph
Furnish & Install Cross Ties (New)	EA		
Spot Tamp	TF		
Line and Surface Track	TF		
Remove Turnout	MI		
Replace Turnout (With New)	EA		
Adjust Turnout	EA		
Frog Maintenance (Weld & Grind)	EA		
Replace TO switch points (2 per turnout)	EA		
Joint Rehabilitation	FT		
Renew Grade Crossing Public (PAVED)	EA		
Renew Grade Crossing Surf (plank)	EA		

Repair Bridge	EA		
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SEGMENT F: Hoquiam Plywood Facility Trackage

This segment begins at the end of PSAP ownership and extends north 968 track feet to the end of the line. As an industry track the speed of the track is 10 miles per hour. The line was inspected on May 13, 2008. A summary of major elements along the segment include:

Main Track Length in Feet	968
% of 85 lb jointed rail	0
% of 100 lb plus jointed rail	100
Number of Public Crossings	0
Number of Private Crossings	1
Number of Turnouts	1
Number of Bridges	0
Feet of Curves	0

General Conditions noted include:

Rail

The line is recently rehabbed with jointed rail of 100 lb weight in generally good condition. The rail is joined with standard 24-inch long joint bars secured with track bolts, nuts, and lock washers. Anchors are present and the tie plates are of single shoulder design. No rail repair is required.

Line and Surface

The line is composed of gravel ballast. The depth of ballast on the line was not determined but is most probably of minimal depth. General alignment and surface conditions for the track, which is tangent, is good. Drainage on the segment is fair with some evidence of fouled ballast.

Cross Ties

Cross tie condition is adequate for industrial track.

Turnouts

There is one turnout on this segment. No repairs are required.

At-Grade Crossings

There are no at-grade crossings on this segment.

Bridges

There are no bridges on this segment

Recommendations

No repairs are required on this segment



Appendix A

Rehabilitation Criteria Strategies and Methodologies

Our task was to make rehabilitation recommendations based on two criteria Sustainable 10-mile per hour operations and sustainable 25-mile per hour operations. Our attempt is to develop rehabilitation recommendations which can be implemented over the next year that once completed will allow for somewhat normalized maintenance in subsequent years. We have used the following criteria for developing this estimate.

Rail

Rail weights on the Hoquiam Branch vary from 75 pounds per yard to 100 pounds per yard. Rail with weights of less than 90 pounds per yard (90 lb rail) are generally considered to be substandard for today's branch line operations. These sections have less beam strength, are older and formed during less stringent steel mill practices, and are more prone to failure and breakage under traffic. For today's branch line standards, 90 lb rail and 100 lb rail sections are considered adequate. In the very recent past, the railroad industry considered 90 lb rail as a standard for branch line and industry track. With the introduction of heavier carloads, 90 lb rail has fallen out of favor and rail sections of 112, 115, and 119 lb rail are now considered standard weight rail for most branch line operations. It is not just the weight of rail that is important in these considerations but the relative shape of the rail head and fillet area between the head and web that make the heavier rail sections more desirable than the lighter (and generally older) sections.

Conventional or jointed rail is found in standard lengths varying from 33 feet per rail to 39 feet per rail. For many years, 39-foot rail has been the industry standard and is the length the mills are producing is almost entirely 39 feet in length. The older rail sections were produced in 33-foot lengths and 36-foot lengths. We have estimated the average length of rail on the Hoquiam Branch to be 36 feet in length. If rails are 36 feet in length, there are 146 rails per side per mile.

Welded rail or continuous welded rail (CWR) is rail which has welded several 39 foot long rails together and is generally produced in lengths of 1,000 to 1,200 feet in length. If rails are 1200 feet in length, there are 4.5 joints per side per mile. It has obvious advantages in that the joints are for the most part eliminated thereby providing a more even distribution of loads and considerably less maintenance. CWR with rail weights of 112

lb or greater are the current industry standard for branch lines. The Hoquiam Branch has no CWR.

For our consideration, we considered rail sections of less than 80 lb to be too light for 25 mile per hour operations and we recommended replacement. In all cases, where replacement was warranted, we recommended replacement with jointed or welded rail of 115 lb or greater.

Cross Ties

In subsequent years, we recommend tie renewal programs on a 10-year cycle. Tie renewal programs provide optimal benefit if they are performed at periodic times. On the Hoquiam Branch, a tie program every 10 years would be optimal. We recommended a tie program that would replace enough existing ties so that the predictable number of defective ties 15 years from now would be within the acceptable defect criteria for that speed. If a program was recommended, we considered the following:

- 1 All defective ties were replaced with new treated hardwood ties
- 2 Poor ties were replaced only to the extent necessary to obtain the predictable future 15-year defect thresholds. Obviously, one could replace all of the poor ties as well but this is not necessary if a periodic tie renewal program is implemented into the future.

Ballasting, Lining and Surfacing

Tie renewal programs by their very nature should be followed with lining and surfacing of the track to restore the track section to its design condition. A tie program significantly disturbs the consolidation of the existing ballast section and will produce non-uniform line and surface conditions. Uniform ballast consolidation, line, surface, and ballast shoulder should be restored following a tie renewal program. We have recommended 8 carloads of ballast per mile (800 tons) as an appropriate amount of ballast for this work. Once the ballast is unloaded, or placed, lining and surfacing with a production tamper/liner working with a ballast regulator to restore a full crib and ballast shoulder section should follow it. This lining and surfacing work will also include a quality control component which straightens ties, insures tie plates are properly seated, anchors are reset on new ties, etc. On the Hoquiam Branch, this lining, surfacing and quality control should be done simultaneously with tie renewal programs. For both 10 and 25 mph line segments, this work should be done approximately every 10 years. The Hoquiam Branch track condition is so poor that out-of-face surfacing would result in broken rails and joint bars.

At speeds of 25 mph, maintaining proper line and surface are more critical than at 10 mph. At the higher speeds, safety considerations and extending the life of rail and ties, dictate line and surfacing programs between 10-year tie renewal cycles. This work essentially smoothes out the bumps and irons the wrinkles and should be done periodically to provide the smoother ride needed to maintain 25 mph operations. We recommend that every 10 years a line and surfacing program be performed on these 25 mph segments. This program would ideally be timed midway between the tie renewal programs. We recommend four carloads of ballast per mile (400 tons) to accomplish this work.

In between tie renewal programs and line and surface programs, troublesome areas will on occasion require lining and/or surfacing to correct geometric irregularities and defects. This work is site specific, at unpredictable intervals, and as such should be considered part of a normal track maintenance program that is dictated by local conditions and budget. On 10 mile per hour segments, line and surface are less critical than on the 25 mph segments. Conditions noted on the Hoquiam Branch suggest that on 10 mph segments, line and surface programs on a 10-year basis in connection with the tie renewal programs is appropriate.

Turnouts

All turnouts were inspected and general conditions were noted. Switch points, frogs, and switch tie conditions were rated poor, fair, or good. Two unused and un-maintained, submarine turnouts should be removed and replaced with new track. The remaining turnouts were adequately maintained with very few defects noted.

A turnout (often called a switch) consists of approximately 65 wooden ties varying in length from 9 feet to 18 feet, a pair of movable switch points which mate to a pair of stock rails, and a frog. The life of a turnout if properly maintained is in excess of 60 years in branch line situations. Proper maintenance practice requires periodically changing out defective or poor switch ties, tightening bolts, adjusting tension and fit of the switch points, grinding of switch point ends, and adding metal to the points and wing rails of frogs along with grinding to reduce battering at the frog point area.

Grade and Roll Excavation

Where the track is to be completely removed we recommend removing the existing track and subballast to top of subgrade and then proof-rolling the subgrade prior to installing subballast to a depth of 8"

Joint Rehabilitation

At the risk of oversimplifying things, 90 percent of track maintenance is taking care of your joints. Bolts can become loose, joint bars can break, train impact loads at the joints cause rapid deterioration of the ties beneath the joint, and line and surface is more difficult to maintain at the joints. This is the reason that most rail on lines with any significant amount of traffic or speed is CWR or welded. Elimination of the joints is the best way to reduce maintenance costs and improve the safety and ride quality of trains. On lines with low density and therefore low revenue, the cost of converting jointed rail to CWR is often prohibitively expensive and extending the life of the existing rail is warranted.

Periodically a bolt tightening and joint maintenance program is done to help keep the joint bolts and joint bars in good condition. A crew with one or more bolting machines will tighten all bolts and where necessary replace poor bolts, nuts, lock washers, and joint bars. We have assumed that where bolts are poor, we will replace them with a new bolt, nut and washer. If existing bolts are still good, we will tighten them. Joint bars will be replaced with on-hand or second-hand material. Loose bolts and cracked joint bars are especially problematic behind surfacing programs. Raising the track changes the stresses on the joints and if a joint bar is weak, it is likely to crack shortly after the track raise. We have estimated a cost of \$15 per joint on jointed rail segments for joint rehabilitation.

At-Grade Crossings

At-grade crossings are of two types, public or private. Public crossings are either gravel surface or paved and may include active warning devices (flashers and gates). Public crossings vary in width with 36 feet being a good average. Private crossings tend to be used by a single landowner and tend to be gravel or dirt with an average width of 20 feet. Crossings by their very nature require additional maintenance due to upkeep and replacement of the flange-way material and due to shortened tie and rail life for the track through the crossing area. We have assumed that on average, a crossing should last 30 years and that the cost to renew a public crossing is \$300 per foot of width. This equates to an average cost of \$12,000 per crossing renewed. The cost of renewing a private crossing is considerably less and for the most part is done in connection with tie and surfacing programs. We have included \$500 per private crossing renewal which primarily covers the installation of the plank surfacing material.

Bridges

Bridges represent an often-overlooked major component of railroad infrastructure costs. There is a reason for this as most bridges today were

constructed prior to the advent of diesel locomotives in the 1950's. Because the older bridges were built to support the heavy driver impacts of the steam locomotives, there was additional safety factor or cushion in the design of a typical bridge. Since then, average carloads have increased from 60 tons to 100 tons and trains have gotten longer. But because the bridges were "overbuilt, they have provided more than adequate service life during the interim.

Unfortunately, time is running out for the typical bridge. The bridges on the Hoquiam Branch were constructed of treated timber stringers on treated timber 5 pile bents. They were constructed in the late 1890's. These bridges were well constructed to Class one Railroad bridge standards. Their life expectancy is approximately 75 years, which supports our recommendation for significant rehabilitation. It is possible to prolong replacement of these structures through judiciously replacing and strengthening component members of the bridge but the fact remains that significant costs can be expected.

Bridge records, design files, historical repair record or inspection reports were not available from PSAP.

Appendix B

Tie Quality

Tie Quality

The relative quality of a typical track section is primarily defined by the weight and type of rail section and the condition of the cross ties. The rail provides two primary functions, that of beam strength for even distribution of load onto the ties and a wearing surface that acts to guide the train between points A and B.

Tie strength and/or tie quality is the primary determinant of overall track conditions on light density lines such as the Hoquiam Branch. Rail weights and type are certainly of concern but for the most part, the rail that is present is too costly to replace and the rail still has many decades of useful life to it. If the tie condition is poor, the condition of the track is poor. Ties are the primary support for the track structure and unless rail condition is extremely poor and prone to numerous service failures, tie quality should be the primary focus of branch and shortline railroad track maintenance.

Cross Ties

The use of the word cross tie and tie are synonymous. A tie has two functions. The first function is the transference of the vertical load or weight from the base of the rail unto the ballast section. The greater the number of good ties one has and the closer the spacing between those good ties, the more evenly the load is distributed to the ballast. If a tie provides no support, its neighbor must carry twice the load. The second function of a cross tie is to provide resistance to lateral forces. The contact between the wheel flange and the gauge face of the rail causes lateral forces that have a tendency to move the rail outward. The ties constrain this outward movement. This stresses the wood fibers in the tie plate area. The better the tie condition, the better its ability to restrain these forces.

Tie Life

A typical creosote treated hardwood tie has a life expectancy between 30 and 70 years. This is primarily dependent upon weather, train traffic, speeds and maintenance practices.

Most light density branch line ties have a life expectancy of approximately 50 years. We believe that an average tie life of 50 years is appropriate for

the Hoquiam Branch. This is because traffic densities are light, drainage along the Hoquiam Branch is poor, rainfall is high, and overall line and surface conditions are poor to good.

Ties do not deteriorate in a purely linear fashion. Deterioration is primarily dependent upon the natural properties of treated wood and the weather. Stresses due to loads and lateral forces are contributing factors but are not the predominant factor. As ties approach the end of their life, wood decay and the ties ability to resist these forces diminish more quickly. If ties last 60 years, we would expect under normal conditions that 1/60 of the ties in track would fail each year. Although individual ties fail at varying rates, it is reasonable to assume that if we are to maintain a constant tie condition on the Hoquiam Branch, we should replace approximately 51 ties per mile per year.

Quality of Tie as it compares to track speeds

10 miles per hour

There is a general level of tie condition that is necessary to support a safe and reliable track speed. The FRA has set minimal safety standards for tie condition, which if literally interpreted, would allow for train speeds of 10 miles per hour with up to 76% of all ties being defective. This requires that the remaining 24% of non-defective ties be judiciously spaced. This is not practical, nor is it sustainable. Our experience has shown that tie condition must be such that there is an extremely high probability that at least one good or excellent tie is spaced within 24 inches of each rail joint and that no more than three defective ties in a row exist. Additionally, the existing tie distribution should be such that these conditions will not be exceeded between now and the next tie renewal program. Our experience has shown that once the number of defective ties exceeds 33%, the track is not likely to support safe and sustainable 10 mile per hour operations. At this point, the track should be taken out of service, ties installed to break up the clusters of defective ties, or the track lowered to FRA classification for EXCEPTED TRACK and closely monitored.

25 miles per hour

Tie condition for safe, reliable and sustainable train operations at 25 miles per hour must be better than for that at 10 miles per hour. This is due to the fact that there are additional stresses placed on the ties due to the heavier impact loads and lateral forces at the higher speed. Although the FRA allows for approximately 62% defect rate at this classification, these are not sustainable values for the same reasons as stated above. Our

experience has shown that no more than five defective ties per rail are appropriate at 25 mile per hour operations.

It should be noted that the mechanical wear and tear upon a tie is accelerated at greater speeds. Many of the forces imparted upon the ties, such as impact loading, are related to the square of the velocity. Therefore, if tie condition is of concern, and rehabilitation is not likely in the near future, it is appropriate to lower the train speeds from 25 mile per hour operations to 10 mile per hour operations prior to this threshold being reached. This will help slow the rate of deterioration. We do not advise track speeds between 10 mph and 25 mph due to a condition known as harmonic "rock and roll" which occurs at sustainable train speeds between 13 to 20 miles per hour on conventional (jointed) rail. This harmonic motion is set up due to the typical wheelbase of cars and the staggered rail joints. At these speeds, cars can begin to rock side to side and if the joints are slightly lower than the rail centers (which is typical) the staggered joints exacerbate the rocking instead of dampening it. Many derailments have occurred on branch lines due to this very condition and most railroads prohibit timetable speeds between 10 and 25 mph on jointed rail track.

Appendix C

Cost Estimates

Appendix C includes the following cost estimates

1. Case 1 (10 mph)
2. Case 2 (25 mph)



Appendix D

Project Photographs

Appendix D includes project photographs taken during inspection May 13, 2008



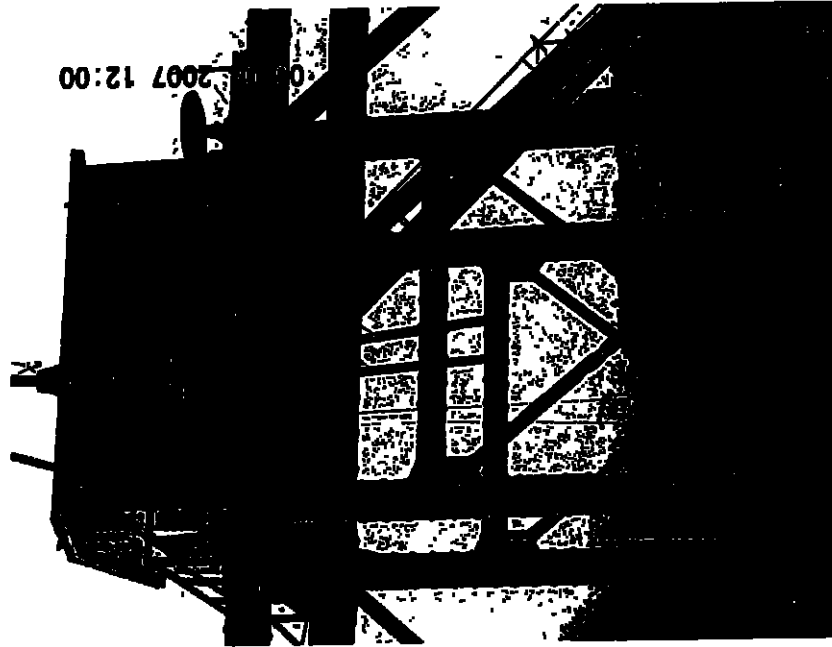
PSAP - Hoquiam Branch
Preliminary Draft

Bring to Minimum Class 1 (10 mph) track

Segment	Segment Length	Potential Project Items	Quantity	Unit	Unit Cost	Cost	Total Cost
A 5383.00							
		Gauge Rail	4063	TF	12.00 \$	48,756	
		Tie Replacement	406	EA	7.00 \$	2,843	
		Spot Tamp	5383.00	TF	12.00 \$	64,596	
		Perform joint rehabilitation	209.00	EA	15.00 \$	3,135	
		Remove track	0	TF	10.00 \$		
		Asphalt removal	0	SY	5.00 \$		
		Remove turnout	0	EA	7,000.00 \$		
		Construct new track	0	FT	135.00 \$		
		Grade and Roll Excavation	0	SY	5.00 \$		
		Subballast	0	CY	31.00 \$		
		Crossing asphalt pavement	0	MT	125.00 \$		
		Other Turnout Repairs	1	EA	1,000.00 \$	1,000	
		Bridge Repair	1	LB	10,000.00 \$	10,000	
							132,000
B 1381.00							
		Gauge Rail	217	TF	12.00 \$	2,604	
		Tie Replacement	0	EA	7.00 \$		
		Spot Tamp	1381.00	TF	12.00 \$	16,572	
		Perform joint rehabilitation	77.00	EA	15.00 \$	1,155	
		Remove track	0	TF	10.00 \$		
		Remove turnout	2	EA	7,000.00 \$	14,000	
		Asphalt removal	0	SY	5.00 \$		
		Construct new track	0	FT	135.00 \$		
		Grade and Roll Excavation	0	SY	5.00 \$		
		Subballast	0	CY	31.00 \$		
		Crossing asphalt pavement	0	MT	125.00 \$		
		Other Turnout Repairs	0	EA	1,000.00 \$		
		Bridge Repair	0	LB	10,000.00 \$		
						34,331.00	34,331.00
C 2966.00							
		Gauge Rail	827	TF	12.00 \$	9,924	
		Tie Replacement	733	EA	7.00 \$	5,131	
		Spot Tamp	2966.00	TF	12.00 \$	35,592	
		Perform joint rehabilitation	143.00	EA	15.00 \$	2,145	
		Remove turnout	0	EA	7,000.00 \$		
		Asphalt removal	0	SY	5.00 \$		
		Construct new track	0	FT	135.00 \$		
		Grade and Roll Excavation	0	SY	5.00 \$		
		Subballast	0	CY	31.00 \$		
		Crossing asphalt pavement	0	MT	125.00 \$		
		Other Turnout Repairs	0	EA	1,000.00 \$		
		Bridge Repair	0	LB	10,000.00 \$		
						44,380.00	44,380.00
D 449.00							
		Gauge Rail	0	TF	12.00 \$		
		Tie Replacement	0	EA	7.00 \$		
		Spot Tamp	0.00	TF	12.00 \$		
		Perform joint rehabilitation	0.00	EA	15.00 \$		
		Remove turnout	0	EA	7,000.00 \$		
		Asphalt removal	0	SY	5.00 \$		
		Construct new track	0	FT	135.00 \$		
		Grade and Roll Excavation	0	SY	5.00 \$		
		Subballast	0	CY	31.00 \$		
		Crossing asphalt pavement	0	MT	125.00 \$		
		Other Turnout Repairs	0	EA	1,000.00 \$		
		Bridge Repair	1	LB	825,000.00 \$	825,000	
						825,000.00	825,000.00
E 2043.00							
		Gauge Rail	407	TF	12.00 \$	4,884	
		Tie Replacement	854	EA	7.00 \$	5,978	
		Spot Tamp	2043.00	TF	12.00 \$	24,516	
		Perform joint rehabilitation	114.00	EA	15.00 \$	1,710	
		Remove turnout	0	EA	7,000.00 \$		
		Asphalt removal	0	SY	5.00 \$		
		Construct new track	0	FT	135.00 \$		
		Grade and Roll Excavation	0	SY	5.00 \$		
		Subballast	0	CY	31.00 \$		
		Crossing asphalt pavement	0	MT	125.00 \$		
		Other Turnout Repairs	0	EA	1,000.00 \$		
		Bridge Repair	1	LB	80,000.00 \$	80,000	
						85,918.00	85,918.00
Subtotal Track Rehab Items							\$ 821,629.00
Contingency @ 20%							\$ 164,325.80
Total Track Rehab Items							\$ 985,954.80

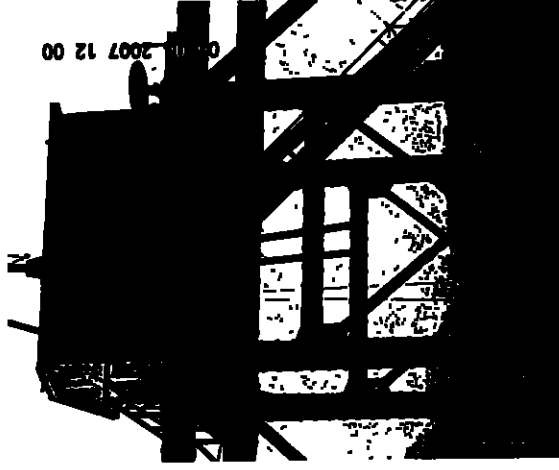
APPENDIX 3—PHOTOGRAPHS

- CROWS NEST.



CONDITION

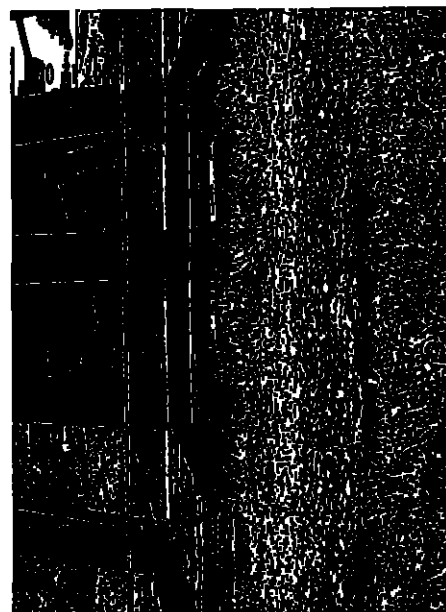
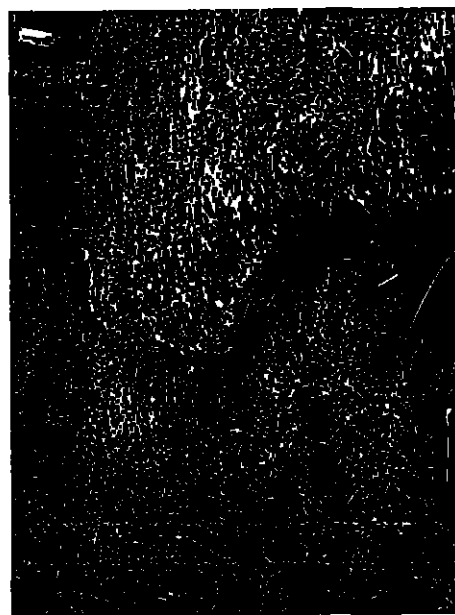
- RUSTED OR MISSING SUPPORT BRACING



- MISSING OR ROTTEN PILINGS



SLOUGHING OF RIVER BANK

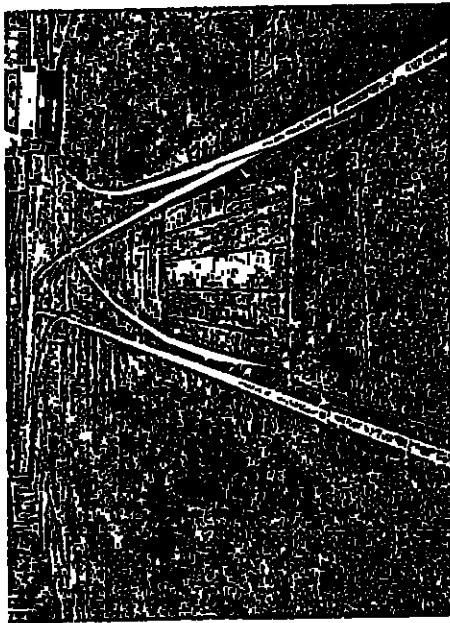


BRIDGETENDER CABLE BRIDGE

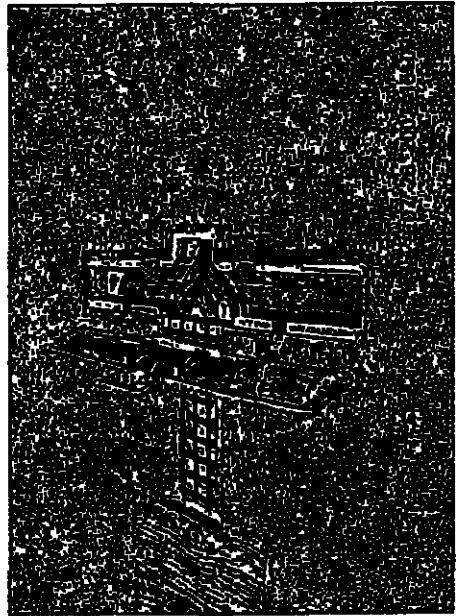
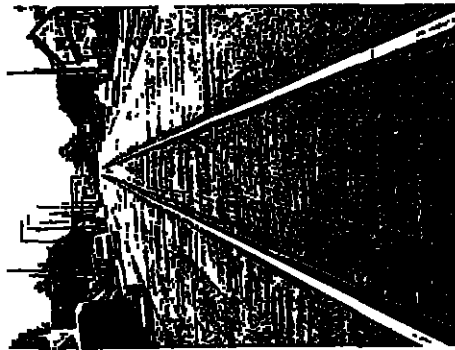
- BRIDGE TENDER MUST CROSS WALK WAY TO LINE BRIDGE.
- DURING HIGH TIDE WALKWAY IS SOME TIMES SUBMERGED MAKING WALKWAY IMPASSABLE.
- DURING HIGH TIDE THERE IS A CONSTANT FEAR OF UNSEEN LOG HITTING WALKWAY.
- WALKWAY TIMBERS ARE IN NEED OF REPAIR OR REPLACEMENT.



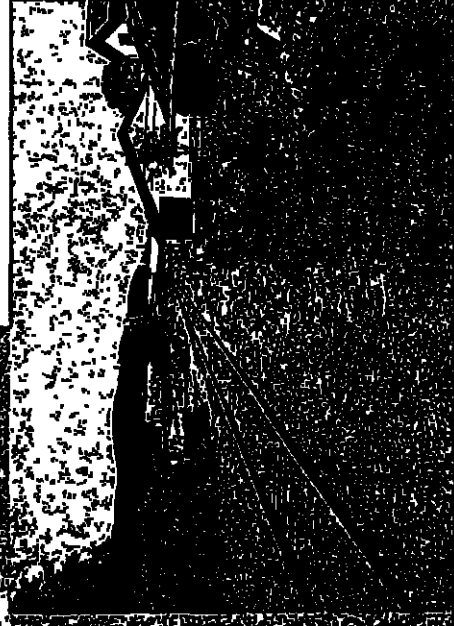
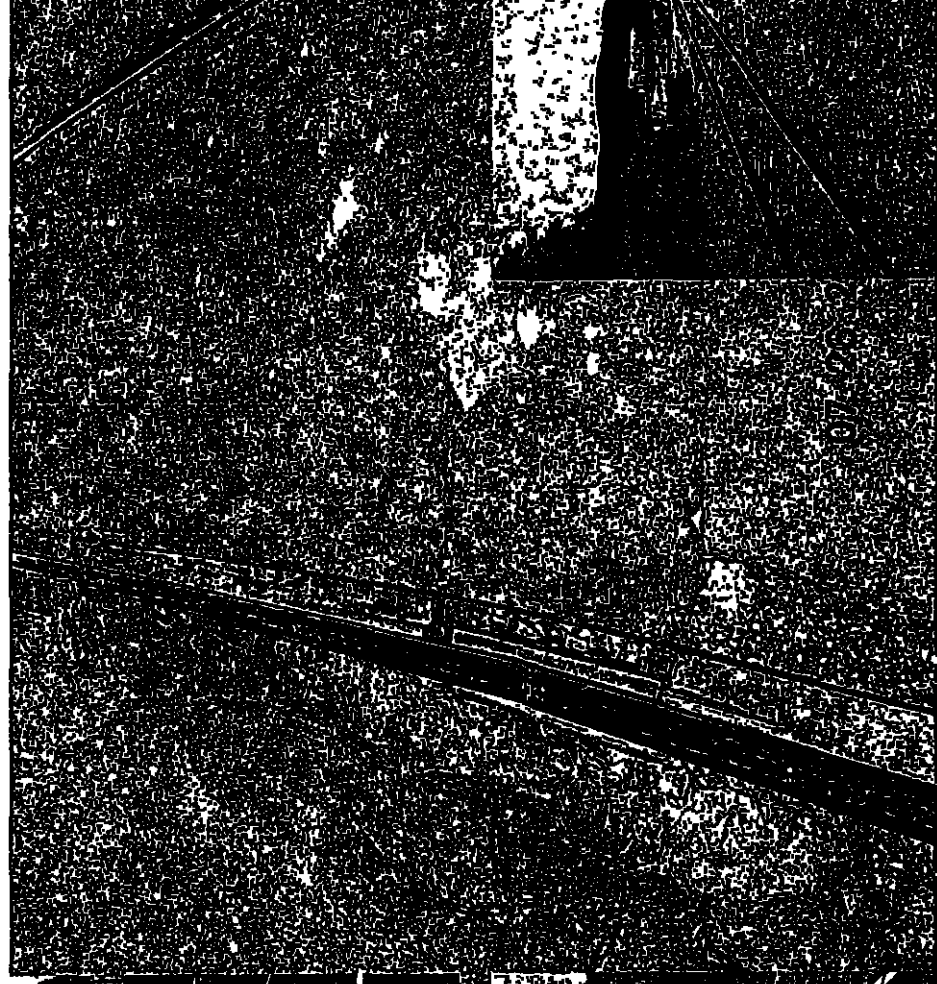
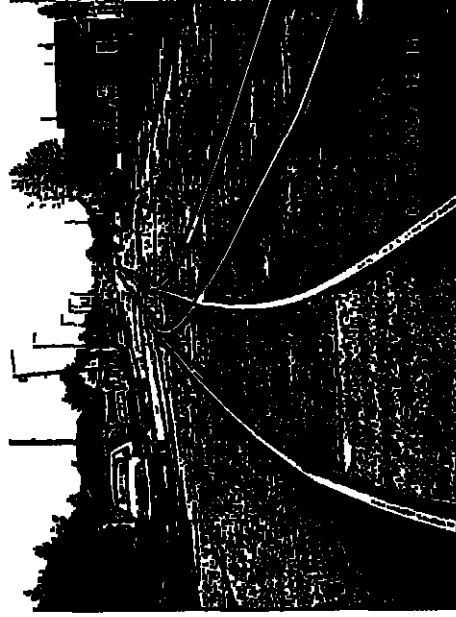
POLK STREET SUBMARINE SWITCHES



POLK STREET

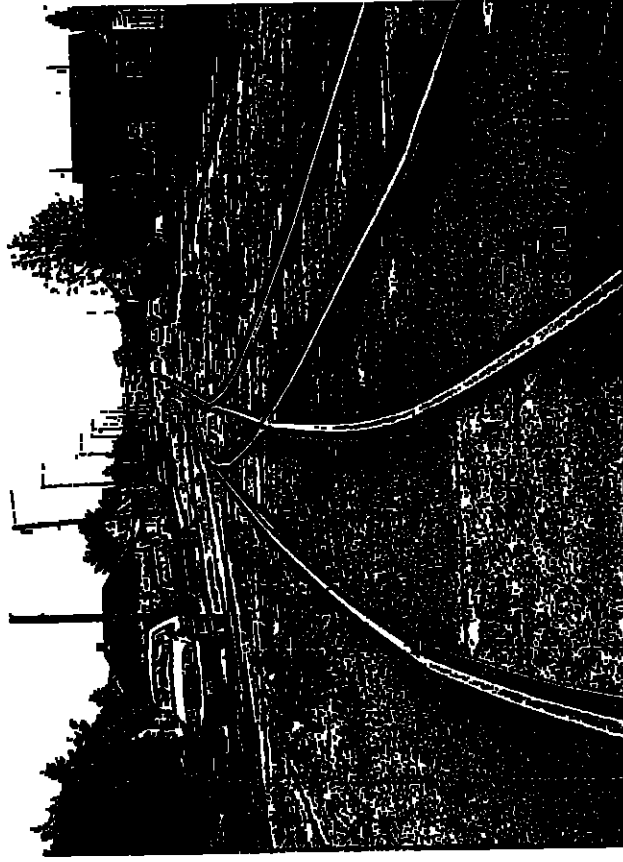


POLK STREET & HOQUIAM PLYWOOD LEAD



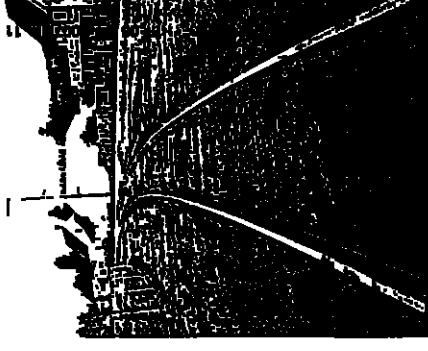
POLK STREET

- 5 MPH TRACK
- 6 CROSS STREETS
- CROSS BUCK
PROTECT ONLY



POLK STREET REPAIRS

- ASPHALT
- MAKES CHANGING TIES EXTREMELY DIFFICULT
- MUST CHIP OUT BEFORE TIGHTENING BOLTS OR CHANGING JOINT BARS
- SALT WATER PITTED TIE PLATES AND BARS



**EXHIBIT F—ROBERT M. FRELICH, JR. VERIFIED
STATEMENT**

**PUGET SOUND & PACIFIC RAILROAD COMPANY
—ABANDONMENT EXEMPTION—IN GRAYS HARBOR COUNTY, WA**

VERIFIED STATEMENT OF ROBERT M FRELICH, JR

My name is Robert M Frellich, Jr and I am Director of Finance of RailAmerica, Inc (“RailAmerica”), a shortline holding company that controls the Puget Sound & Pacific Railroad Company (“PSAP”) The purpose of this verified statement is to describe how I developed the revenues and costs of PSAP over the 8,344-foot long rail line that begins just south of where the railroad line crosses US Highway 101 and proceeds in a northerly direction for 8,344 feet to the end of the line in Gray’s Harbor County, WA (the “Line”)

I have been Director of Finance for last three years and was Director of Planning for prior nine years with RailAmerica As Director of Planning, I was responsible for planning, analyzing traffic profitability and financial results, acquisition modeling, and budgeting for RailAmerica’s subsidiary railroads My prior experience with Southern Pacific was as Director of Budgeting for Operating Department

My current duties include responsibility for planning, cost modeling, profitability analysis, analyzing financial results, acquisition modeling and budgeting of railroads for two regions

1. Background. The Surface Transportation Board (the “Board”) has developed a very sophisticated methodology in 49 C F R Part 1152 Subpart D for calculating revenues and avoidable costs for a line of railroad that a railroad is seeking to abandon The predicate for using these procedures is maintaining data in accordance with the

Branch Line Accounting System (the "BLAS") Only Class I railroads are required to maintain records in accordance with the BLAS As a Class III railroad, PSAP does not maintain its records in accord with the BLAS

Using the data and resources available to me from the PSAP, I have tried to present the Board with an accurate analysis of the revenue generated by the Line and the costs of operating the Line In conducting this analysis, I have developed a Forecast Year based on traffic from the customer on the Line who would continue to use rail service if the Line were not abandoned

2. Forecast Year Traffic. The only customer on the Line is Hoquiam Plywood Company, Inc ("Hoquiam Plywood"), located at the north end of the Line In 2008, Hoquiam Plywood received 57 carloads and shipped 227 carloads ¹ Since traffic to and from Hoquiam Plywood has been declining, and the Hoquiam Plywood facility was closed in December because of the economic downturn, I will adopt a conservative approach and use the 2008 traffic as the Forecast Year Traffic

3. Revenue. PSAP receives revenue of \$365 per inbound car and \$474 per outbound car For the Forecast Year, PSAP would deliver 57 cars to Hoquiam Plywood and would pick-up 227 cars from Hoquiam Plywood Revenue generated in the Forecast Year would be \$20,805 from inbound traffic (57 cars x \$365) and \$107,598 from outbound traffic (227 cars x \$474), for total Forecast Year Revenue of \$128,403

4. Avoidable Costs. In calculating the avoidable costs of operating over the Line, I will determine the costs of operation and use the costs to maintain the Line prepared by Mr Bader

¹ The number of carloads for 2008 has been calculated by annualizing the number of carloads inbound (53) and outbound (207) through November 2008.

a. Costs of Operation. The cost to operate a train on the Line depends on the amount of time spent on the Line, the numbers of trips on the Line, the number of employees and their compensation, the number of locomotives used and their cost, the cost of fuel, and the overhead costs that include general and administrative costs, and depreciation

An average trip to serve Hoquiam Plywood takes about 2.5 hours round trip, including switching. In addition to the crew spending 2.5 hours to serve Hoquiam Plywood, a bridge tender must be dispatched to the swing bridge while the Hoquiam Plywood is being served

PSAP served Hoquiam Plywood two times per week in 2008, prior to the embargo, and would provide two times per week service to Hoquiam Plywood in the Forecast Year. Hence, PSAP would provide service to Hoquiam Plywood 104 times per year

In 2008, there were two people in the train crew serving Hoquiam Plywood. I foresee a two person train crew for the Forecast Year. Hourly wages for each crew member is \$18.45 per hour and their benefits are equal to 72.5 percent of wages. Hourly wages for the bridge tender are \$16.45 per hour and benefits are equal to 72.5 percent of wages. For each trip to Hoquiam Plywood, employee costs are \$230 [(for the road crew $\$18.45 \text{ (hourly wage)} \times 2 \text{ (number of crew)} \times 2.5 \text{ (hours per round trip)} \times 1.725 \text{ (benefits)}$) + (for the bridge tender $\$16.45 \text{ (hourly wage)} \times 2.5 \text{ (hours per round trip)} \times 1.725 \text{ (benefits)}$)] Therefore, for 104 round trips to Hoquiam Plywood, PSAP's employee costs are \$23,920 ($\230×104)

PSAP uses two GP20 locomotives to serve Hoquiam Plywood. Daily rental of a GP20 locomotive from RailAmerica is \$114, and \$228 for two GP20 locomotives. Each locomotive burns about 7.8 gallons per hour based on grade and amount of tonnage being hauled. The cost of fuel fell to about \$2.00 per gallon by the end of the 2008. To be conservative, I will use the cost of fuel that PSAP paid at the end of 2008. For each trip, the locomotive fuel cost for each 2.5 hour trip is \$78.00 (2.5 (hours) x 2 (number of locomotives) x \$2.00 (cost per gallon) x 7.8 (gallons burned per locomotive per hour)) and the locomotive rental is \$23.75 (\$114.00 (locomotive daily rental) x 2 (number of locomotives) x 2.5/24 (percentage of daily rental based on hours of usage)). The locomotive cost for each trip is \$101.75, and for 104 trips per year, the locomotive cost will be \$10,582.

Based on the above costs \$23,920 (crew costs) plus \$10,582 (locomotive fuel and rental) plus \$17,251 (50% for overhead), the total yearly operating costs for the Line are \$51,753.

b. Maintenance of Way Costs. Mr. Bader has developed an annual maintenance of way cost of \$12,327.76 for the Line, which I adopt and will use.

c. Summary of Avoidable Costs. The annual operating costs on the Line are \$51,753. Annual maintenance of way costs on the Line are \$12,327.76. Total avoidable costs on the Line are \$64,080.76.

5. Forecast Year Revenue. The annual revenue projected for the Line is \$128,403. Annual avoidable costs are \$64,080.76 resulting in net revenue of \$64,322.24.

VERIFICATION

I, Robert M Frelich, Jr., verify under penalty of perjury under the laws of the United States that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this Verified Statement.

Executed on January 24, 2009.


Robert M. Frelich, Jr

**EXHIBIT G—SANDRA K. FRANGER VERIFIED
STATEMENT**

PUGET SOUND & PACIFIC RAILROAD COMPANY
-ABANDONMENT EXEMPTION-IN GRAYS HARBOR COUNTY, WA

VERIFIED STATEMENT OF SANDY FRANGER

I am Sandra K. Franger, Vice-President Contracts of RailAmerica, Inc. I have been with RailAmerica and RailTex, Inc. since 1988. In my position, I am responsible for the implementation of all of the contracts between RailAmerica's subsidiary railroads and other railroads. I am also responsible for the abandonment program for all of RailAmerica's subsidiary railroads. I am very familiar with the 8,344-foot long rail line of the Puget Sound & Pacific Railroad Company ("PSAP") that begins just south of where the railroad line crosses US Highway 101 and proceeds in a northerly direction for 8,344 feet to the end of the line, in Grays Harbor County, WA (the "Line"). PSAP is proposing to abandon the Line because the revenue generated by the traffic on the Line will not cover the cost of rehabilitating the Line. I am the officer who issued the embargo on the Line that is included in Appendix 1 to this statement.

The future of traffic on the Line is also in question because Hoquiam Plywood Company, Inc. ("Hoquiam Plywood") closed its facility because of the economic downturn. If the Hoquiam Plywood facility does not reopen there is no traffic for PSAP to handle on the Line. Even if the Hoquiam Plywood facility reopens, PSAP does not have a guarantee that Hoquiam Plywood will continue to use the Line since it has found a transportation alternate using the transload facility in Aberdeen. It is also highly uncertain if Hoquiam Plywood would ship over the Line if PSAP increased rates to the level necessary to cover the cost of rehabilitation. PSAP believed that retention of the

Line may have some additional benefit to Hoquiam Plywood or the City of Hoquiam that was not apparent or available to PSAP.

The purpose of this statement is to describe the attempts that PSAP has made to transfer the Line so that a third party could continue providing rail service to Hoquiam Plywood, the only shipper on the Line PSAP has met with the City of Hoquiam and Hoquiam Plywood and discussed options for continuing rail service PSAP has offered to lease or sell the Line to the City of Hoquiam for minimal consideration. PSAP has offered to transfer the Line as a line of railroad or as a spur track after abandonment PSAP has also offered to assist the City of Hoquiam in initiating operations on the Line. These offers have not been accepted

As can be seen from the verified statements of Mr Frelich and Mr Bader, from PSAP's perspective, the Line does not generate sufficient revenue to warrant the investment required to rehabilitate the Line, whether at the amount estimated by HDR Engineering, Inc at the request of the City of Hoquiam in the Hoquiam Branch Rehabilitation Plan or the rehabilitation cost justified by Mr. Bader Without a substantial increase in traffic to over 1,000 carloads per year, or in rates to over \$1,000 per carload, the investment in rehabilitating the Line will not generate a return on investment for PSAP The inability of the Line to generate sufficient traffic or revenue to justify the cost of rehabilitation is also demonstrated by the refusal of the City of Hoquiam and Hoquiam Plywood to acquire the Line for minimal consideration A railroad whether a Class I or a Class III like PSAP cannot afford to make an investment equal to the rehabilitation projections without the prospect of a reasonable return on that investment

VERIFICATION

I, Sandra K. Franger, declare under penalty of perjury that to the best of my knowledge the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this Verified Statement Executed this 27th day of January 2009.



Sandra K Franger

APPENDIX 1-EMBARGO NOTICE

Print Embargo

PSAP-THE PUGET SOUND & PACIFIC RAILROAD COMPANY A DIVISION OF THE ARIZONA & CALIFORNIA RAILROAD CO LP

Embargo Number PSAP000108

Amendment Number 1

Status Effective

Companion Embargo Number None

Effective Date 02-28-2008

Expiration Date 02-28-2009

Allow Permit No

Tier 2 Effective Date 02-28-2008

Requester - Ph - Email

Bypass Local Waybills No

Operating Station Notice No

Effective Immediately Yes

Include Empty Car Yes

Maximum Car Allowed

Commodities Target All Commodities

Geography

FSAC(s) From Stations, To Stations

PSAP - 67658 - HOQUIAM, WA

Umler Equip Type Target All Umler Equipment Types

Car Weight No Weight Restrictions

Clearance Code No Clearance Code

Waybill Parties

Consignee - 0092427930000 - HOQUIAM PLYWOOD COMPANY INC - , HOQUIAM, WA

Shipper - 0092427930000 - HOQUIAM PLYWOOD COMPANY INC - , HOQUIAM, WA

Consignee - 0092427939000 - HOQUIAM PLYWOOD COMPANY INC - , HOQUIAM, WA

Shipper - 0092427939000 - HOQUIAM PLYWOOD COMPANY INC - , HOQUIAM, WA

Cause Track Conditions

Cause Detail

Note

Amendment History

Amendment 1 (Current) Other-Specify - Hoquiam Plywood is the sole customer embargoed at Hoquiam, WA
Hoquiam Plywood at Aberdeen, WA is open for traffic

Jeffrey J Usher
Asst Vice President-Business Services
Association of American Railroads

EXHIBIT H—COMBINED ENVIRONMENTAL AND HISTORIC REPORT

CERTIFICATE OF SERVICE OF COMBINED ENVIRONMENTAL AND HISTORIC REPORT

Pursuant to the requirements of 49 C F R §1105 7(c), 8(c), and 11 the undersigned hereby certifies that a copy of the Combined Environmental and Historic Report in Docket No AB-1023 (Sub-No 1X) was mailed via first class mail on September 12, 2008, to the following parties

Washington Utilities and Transportation Commission
P O Box 47250
Olympia, WA 98504

Washington Department of Ecology
P O. Box 47600
Olympia, WA 98504-7600

Washington Shorelines and Environmental Assistance
Department of Ecology
P O. Box 47600
Olympia, WA 98504-7600

Honorable Bob Beerbower
Commissioner District No 1
Grays Harbor County Administration Building
100 West Broadway, Suite #1
Montesano, WA 98563

Honorable Mike Wilson
Commissioner District No 2
Grays Harbor County Administration Building
100 West Broadway, Suite #1
Montesano, WA 98563

Honorable Al Carter
Commissioner District No. 3
Grays Harbor County Administration Building
100 West Broadway, Suite #1
Montesano, WA 98563

Honorable Jack Durney
Mayor, City of Hoquiam
Hoquiam City Hall
609 8th Street
Hoquiam, WA 98550

Elin Miller, Regional Administrator
EPA - Region 10
1200 6th Ave , Suite 900
Seattle, WA 98101

Ren Lohofcner, Regional Director
U S Fish and Wildlife Service
Pacific Region
911 NE 11th Avenue
Portland, OR 97232

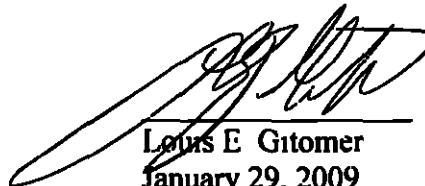
US Army Corps of Engineers
Seattle District
P O. Box 3755
Seattle, WA 98124-3755

Mr Dan Miller
Rivers, Trails & Conservation Assistance
National Park Service
612 East Reserve Street
Vancouver, WA 98661

Natural Resources Conservation Service
U S. Department of Agriculture
Montesano Service Center
330 Pioneer Avenue West
Montesano, WA 98563-4412

NGS.InfoCenter
The National Geodetic Survey

Washington Department of Archeology and Historic Preservation
1063 S Capitol Way, Suite 106
Olympia, WA 98501



Louis E Gitomer
January 29, 2009

COMBINED ENVIRONMENTAL AND HISTORIC REPORT
(49 C F R 1105.7 and 1105.8)

Docket No. AB-1023 (Sub-No. 1X)

**PUGET SOUND & PACIFIC RAILROAD COMPANY
-ABANDONMENT EXEMPTION-
IN GRAYS HARBOR COUNTY, WA**

Dated September 12, 2008

ENVIRONMENTAL REPORT

(1) Proposed Action and Alternatives Describe the proposed action, including commodities transported, the planned disposition (if any) of any rail line and other structures that may be involved, and any possible changes in current operations or maintenance practices. Also describe any reasonable alternatives to the proposed action. Include a readable, detailed map and drawings clearly delineating the project.

Puget Sound & Pacific Railroad Company ("PSAP") proposes to abandon the 8.344 feet long rail line that begins just south of where the railroad line crosses US Highway 101 and proceeds in a northerly direction for 8.344 feet to the end of the line, in Grays Harbor County, WA (the "Line"). The Line begins 3.424 feet north of the main track clearance off of the Elma Main and is part of the line known as the Horn Spur.

PSAP transported veneer in boxcars inbound to Hoquiam Plywood Company, Inc. ("Hoquiam Plywood") and plywood in boxcars outbound from Hoquiam Plywood. Hoquiam Plywood is located at the end of the Line. Currently, Hoquiam Plywood is transloading from a warehouse in Aberdeen, WA. Hoquiam Plywood has been the only user of the Line since at least 2005.

Upon receipt of abandonment authority from the Surface Transportation Board (the "Board"), PSAP proposes to terminate its service over the Line and sell the Line for continued rail service or salvage the track and materials and dispose of the real estate. If the Line is converted

to interim trail use/rail banking. PSAP will salvage the track and materials from the Line, but will leave the ballast, ties, bridges and culverts in place for the use of the trail

Abandonment of the Line will result in the removal of the rail. PSAP does not intend to disturb any sub grade or sub grade structures and does not intend to remove any bridge structures. Where the rail runs down Polk Street, PSAP will work with the City of Hoquiam to restore the street. The operations and maintenance of the line will cease. Removal of the Line will result in the elimination of 12 public road crossings and six private crossings.

The only alternative to a full abandonment would be for PSAP not to abandon the Line. However, the Line requires substantial rehabilitation according to an independent study, which is not justified by the volume of traffic. Without sufficient traffic to cover the costs of rehabilitating the Line, much less operating and maintaining it, PSAP has decided to seek abandonment of the Line.

A map of the proposed abandonment is attached to this Combined Environmental and Historic Report (CEHR) as Exhibit 1.1.

(2) Transportation System. Describe the effects of the proposed action on regional or local transportation systems and patterns. Estimate the amount of traffic (passenger or freight) that will be diverted to other transportation systems or modes as a result of the proposed action.

There is no passenger traffic on the Line, so that no passenger traffic will be diverted to other modes as a result of the proposed abandonment. PSAP embargoed the Line due to track condition on February 28, 2008 under Embargo Number PSAP000108, issued pursuant to the AAR Embargo and Permit System. Hoquiam Plywood is now transloading its traffic at a location about two miles from the former delivery point. 2007 Hoquiam Plywood shipped and received 335 carloads in 2007 and 470 carloads in 2006. This traffic is being diverted to truck

¹ The copy of the map that accompanied the information-gathering letter has been removed from that letter. That map was the same as the map in Exhibit 1 accompanying this report.

for a two-mile trip to the transloading location. Although the trucks are using local roads, PSAP is not operating its trains down Polk Street. The Line runs down Polk Street in Hoquiam. The trucks to and from Hoquiam Plywood are now using the streets of Hoquiam instead of the PSAP train. Accordingly, the proposed abandonment should have no adverse effects on regional or local transportation systems and patterns.

(3) Land Use (i) Based on consultation with local and/or regional planning agencies and/or a review of the official planning documents prepared by such agencies, state whether the proposed action is consistent with existing land use plans. Describe any inconsistencies. (ii) Based on consultation with the U.S. Soil Conservation Service, state the effect of the proposed action on any prime agricultural land. (iii) If the action affects land or water uses within a designated coastal zone, include the coastal zone information required by 1105.9. (iv) If the proposed action is an abandonment, state whether or not the right-of-way is suitable for alternative public use under 49 U.S.C. § 10905 and explain why.

(i) PSAP considers the proposed abandonment to be consistent with existing land use plans. The majority of the Line is in Hoquiam.

PSAP contacted Grays Harbor County and Hoquiam by letters dated September 12, 2008. See Exhibit 2. No response has been received as of this date. A copy of this CEHR has been mailed to the appropriate local and state agencies for their information and further comment.

(ii) PSAP does not believe that there is any prime agricultural land that will be affected. PSAP notified the United States Department of Agriculture (USDA) Natural Resources Conservation Service (the agency succeeding to the responsibilities of the Soil Conservation Service) of the proposed abandonment by letter dated September 12, 2008, and requested assistance in identifying any potential effects on prime agricultural land. See Exhibit 2. No response has been received as of this date. A copy of this CEHR has been mailed to the appropriate local and state agencies for their information and further comment.

(iii) The Line does pass through a designated coastal zone. PSAP notified the Washington Shorelines and Environmental Assistance Department of Ecology of the proposed

abandonment by letter dated September 12, 2008, and requested assistance in identifying any potential effects on the coastal zone. See Exhibit 2. No response has been received as of this date. A copy of this CEIR has been mailed to the appropriate local and state agencies for their information and further comment.

(iv) PSAP does not believe that the Line is suitable for interim trail use/ rail banking because of the use of Polk Street as part of the right-of-way for a substantial portion of the Line.

(4) Energy (i) Describe the effect of the proposed action on transportation of energy resources. (ii) Describe the effect of the proposed action on recyclable commodities. (iii) State whether the proposed action will result in an increase or decrease in overall energy efficiency and explain why. (iv) If the proposed action will cause diversions from rail to motor carriage of more than (A) 1,000 rail carloads a year, or (B) an average of 50 rail carloads per mile per year for any part of the affected line, quantify the resulting net change in energy consumption and show the data and methodology used to arrive at the figure given.

(i) The proposed abandonment will have no effect on the transportation of energy resources.

(ii) The proposed abandonment will have no effect on the transportation of recyclable commodities.

(iii) The proposed abandonment will have minimal effect on overall energy efficiency since traffic will only be moved for about two miles by truck.

(iv) If the traffic that previously moved over the Line is diverted to truck, the proposed abandonment will result in the diversion of more than 50 rail carloads per mile per year to motor carriage. It is estimated that there will be a decrease in energy consumption of 614 gallons of diesel fuel. The data and calculations used to arrive at this result are based on trucks operating one way loaded with 100% empty return, and fuel consumption for loaded and empty trucks of 4.5 and 6.5 miles per gallon, respectively. *Norfolk Southern Railway Company—Discontinuance of Service Exemption in Stanly County, North Carolina*, STB Docket No. AB-290 (Sub-No

254X). *Yadkin Railroad Company—Discontinuance of Service Exemption—in Stanly County, North Carolina*, STB Docket No AB-290 (Sub-No 274X). *Winston-Salem Southbound Railway Company—Discontinuance of Service Exemption—in Stanly County, North Carolina*, STB Docket No AB-149 (Sub-No 2X) (STB served June 12, 2006), Environmental Assessment at 4

The 335 rail carloads from 2007, the last full year of operation would be diverted to 1,340 loaded trucks and 1,340 empty trucks. The loaded trucks would consume about 596 gallons based on 1,340 truckloads times two miles divided by 4.5 miles per gallon. The empty trucks would consume 412 gallons based on 1,340 truckloads times two miles divided by 6.5 miles per gallon. The total fuel to be consumed in trucking the traffic from Hoquiam Plywood to the transloading facility would be 1,008 gallons of diesel fuel.

PSAP served Hoquiam Plywood using two locomotives. A typical round trip to Hoquiam Plywood would take two hours, including switching. The locomotives burned about 7.8 gallons per hour. PSAP operates two to three days per week to serve Hoquiam Plywood. Taking the conservative approach of two days per week service, PSAP would make 104 round trips per year on the Line. PSAP will base its calculations of current fuel consumption for rail service based on 104 round trips per year. Since there were 104 round trips that took two hours and burned 7.8 gallons per hour, PSAP used 1,622 gallons of diesel fuel to handle the same traffic that consumes 1,008 gallons of diesel fuel for truck operations. By using the transloading operation, about 614 gallons of diesel fuel are being saved each year.

Diverting the traffic from Hoquiam Plywood from rail to truck will result in the use of less diesel fuel.

(5) Air. (i) If the proposed action will result in either (A) An increase in rail traffic of at least 100 percent (measured in gross ton miles annually) or an increase of at least eight trains a day on any segment of rail line affected by the proposal, or (B) an increase in rail yard activity of at least 100 percent (measured by carload activity), or (C) an average increase in truck traffic of

more than 10 percent of the average daily traffic or 50 vehicles a day on any affected road segment, quantify the anticipated effect on air emissions. For a proposal under 49 U.S.C. § 10901 (or § 10505) to construct a new line or reinstitute service over a previously abandoned line, only the eight train a day provision in sub-section (5)(1)(A) will apply. (ii) If the proposed action affects a class I or nonattainment area under the Clean Air Act, and will result in either (A) an increase in rail traffic of at least 50 percent (measured in gross ton miles annually) or an increase of at least three trains a day on any segment of rail line, (B) an increase in rail yard activity of at least 20 percent (measured by carload activity), or (C) an average increase in truck traffic of more than 10 percent of the average daily traffic or 50 vehicles a day on a given road segment, then state whether any expected increased emissions are within the parameters established by the State Implementation Plan. However, for a rail construction under 49 U.S.C. § 10901 (or 49 U.S.C. § 10505), or a case involving the reinstitution of service over a previously abandoned line, only the three train a day threshold in this item shall apply. (iii) If transportation of ozone depleting materials (such as nitrogen oxide and freon) is contemplated, identify the materials and quantity, the frequency of service, safety practices (including any speed restrictions), the applicant's safety record (to the extent available) on derailments, accidents and spills, contingency plans to deal with accidental spills, and the likelihood of an accidental release of ozone depleting materials in the event of a collision or derailment.

(i) The proposed abandonment will not result in meeting or exceeding the specified thresholds

(ii) The Line proposed for abandonment is not in a nonattainment area. The Environmental Protection Agency does not list any geographic area in which the Line is located as a nonattainment area for 1-Hour Ozone, 8-Hour Ozone, Carbon Monoxide, Nitrogen Dioxide, Sulfur Dioxide, Particulate Matter PM-10, Particulate Matter PM-2.5 or Lead. Grays Harbor County is currently listed as attainment areas for all priority pollutants. In any event, because of reduction in fuel used by the truck operation, PSAP believes that there will not be any increase in emissions over those emissions currently resulting from railroad operations. PSAP contacted the Washington Department of Ecology ("WADE") and the United States Environmental Protection Agency ("USEPA") by letters dated September 12, 2008. See Exhibit 2. To date, no response has been received. A copy of this Environmental Report has been supplied to the WADE and USEPA for their information and comment.

(iii) The proposed abandonment will not affect the transportation of ozone depleting materials, because the traffic handled by PSAP on the Line does not include such commodities

(6) Noise If any of the thresholds identified in item (5)(i) of this section are surpassed, state whether the proposed action will cause (i) an incremental increase in noise levels of three decibels Ldn or more, or (ii) an increase to a noise level of 65 decibels Ldn or greater. If so, identify sensitive receptors (e.g., schools, libraries, hospitals, residences, retirement communities, and nursing homes) in the project area, and quantify the noise increase for these receptors if the thresholds are surpassed

Not applicable

(7) Safety (i) Describe any effects of the proposed action on public health and safety (including vehicle delay time at railroad grade crossings) (ii) If hazardous materials are expected to be transported, identify the materials and quantity, the frequency of service, whether chemicals are being transported that, if mixed, could react to form more hazardous compounds, safety practices (including any speed restrictions), the applicant's safety record (to the extent available) on derailments, accidents and hazardous spills, the contingency plans to deal with accidental spills, and the likelihood of an accidental release of hazardous materials (iii) If there are any known hazardous waste sites or sites where there have been known hazardous materials spills on the right-of-way, identify the location of those sites and the types of hazardous materials involved

(i) The proposed abandonment will have no detrimental effects on public health and safety. PSAP will cease operating over the Line. As a result of the abandonment, PSAP will remove 12 public road crossings and six private crossings, as well as removing the portion of the Line that runs down Polk Street.

(ii) The proposed abandonment will not affect the transportation of hazardous materials.

(iii) PSAP is not aware of any known hazardous waste sites or sites where there have been known hazardous materials spills on the Line.

(8) Biological Resources (i) Based on consultation with the U.S. Fish and Wildlife Service, state whether the proposed action is likely to adversely affect endangered or threatened species or areas designated as a critical habitat, and if so, describe the effects. (ii) State whether wildlife sanctuaries or refuges, National or State parks or forests will be affected, and describe any effects.

(i) PSAP does not believe that the proposed action is likely to adversely affect endangered or threatened species or areas designated as a critical habitat. PSAP notified the U S Fish and Wildlife Service (USF&W) of the proposed abandonment by letter dated September 12, 2008, and requested assistance in determining whether the proposed abandonment will adversely affect endangered or threatened species or areas designated as a critical habitat. See Exhibit 2. A copy of this CEIR was supplied to the USF&W for its information and further comment.

(ii) PSAP is unaware of any wildlife sanctuaries or refuges, National or State parks or forests that would be adversely affected by the proposed abandonment.

PSAP notified the National Parks Service of the proposed abandonment by letter dated September 12, 2008, and requested assistance in identifying any potential effects on wildlife sanctuaries or refuges, National or State parks or forests. See Exhibit 2. To date, no response to this request has been received. A copy of this CEIR is being supplied to the National Park Service for its information and comment.

(9) Water (i) Based on consultation with State water quality officials, state whether the proposed action is consistent with applicable Federal, State or local water quality standards. Describe any inconsistencies. (ii) Based on consultation with the U S Army Corps of Engineers, state whether permits under section 404 of the Clean Water Act (33 U S C § 1344) are required for the proposed action and whether any designated wetlands or 100-year flood plains will be affected. Describe the effects. (iii) State whether permits under section 402 of the Clean Water Act (33 U S C § 1342) are required for the proposed action.

(i) PSAP is confident that the proposed abandonment will be consistent with applicable water quality standards. PSAP contacted the WADE and the USEPA by letters dated September 12, 2008. See Exhibit 2. To date, no response to this request has been received. A copy of this CEIR has been supplied to the WADE and USEPA for their information and comment.

(ii) PSAP believes that no permits under section 404 of the Clean Water Act are required for the proposed abandonment and that no designated wetlands or 100-year flood plains will be

affected by the proposed abandonment PSAP does not plan to salvage any of the cross-ties, ballast, or bridges on the Line so that they can be used when the Line is converted to interim trail use/rail banking Upon receiving abandonment authority, removal of material will be accomplished by use of the right-of-way for access, along with existing public and private crossings No new access roads are contemplated PSAP does not intend to disturb any of the underlying road bed or perform any activities that would cause sedimentation or erosion of the soil, and does not anticipate any dredging or use of fill in the removal of the track material Debris will be transported away from the Line and will not be discarded along the right-of-way nor be placed or left in streams or wetlands, or along the banks of such waterways Also, during track removal, appropriate measures will be implemented to prevent or control spills from fuels, lubricants or any other pollutant materials from entering any waterways Based upon this course of action, PSAP does not believe a permit under Section 404 of the Clean Water Act will be required

PSAP contacted the U S Army Corps of Engineers (USACE) by letter dated September 12, 2008 and has received no response to date See Exhibit 2 A copy of this CEIR has been supplied to USACE for its information and comment

(iii) PSAP believes that no permit under section 402 of the Clean Water Act would be required for the abandonment PSAP contacted the WADE, USEPA, and USACE by letters dated September 12, 2008 See Exhibit 2 A copy of this CEIR has been supplied to WADE, USEPA, and USACE for their information and further comment

(10) Proposed Mitigation Describe any actions that are proposed to mitigate adverse environmental impacts, indicating why the proposed mitigation is appropriate

PSAP does not expect any adverse environmental impact from the proposed abandonment and, therefore, see no need for any mitigating actions PSAP will, of course,

adhere to any remedial actions suggested by the recipients of this Report, which are required by the Board

HISTORIC REPORT

1 A U S G S topographic map (or alternate map drawn to scale and sufficiently detailed to show buildings and other structures in the vicinity of the proposed action) showing the location of the proposed action, and the locations and approximate dimensions of railroad structures that are 50 years old or older and are part of the proposed action.

U S Geological Survey Maps have been supplied to the Washington Department of Archaeology and Historic Preservation ("WAHP") See Exhibit 3

2 A written description of the right of way (including approximate widths, to the extent known), and the topography and urban and/or rural characteristics of the surrounding area,

The 8,344-foot right-of-way varies in width from the width of the tracks running down Polk Street to 100 feet wide, with some variance

The Line begins in Hoquiam just south of U S Highway 101 on the west side of the Hoquiam River The Line travels northerly and follows the river as it turns in a northeasterly direction The Line then turns north and runs down Polk Street for five blocks The Line then turns slightly to the northwest and runs to the east of and parallel to River Street for another five blocks Before reaching Perry Street, the Line turns to the northeast, runs parallel to Perry Street and then crosses the Hoquiam River on the swing bridge that was constructed in 1910

After crossing the swing bridge, the Line turns north and crosses an inlet of the East Fork of the Hoquiam River Proceeding north, the Line runs to the east of the East Fork of the Hoquiam River until it ends at the Hoquiam Plywood facility

3 Good quality photographs (actual photographic prints, not photocopies) of railroad structures on the property that are 50 years old or older and of the immediately surrounding area,

Photographs of the bridges on the Line and a detailed description of the bridges are attached as Exhibit 4

4 The date(s) of construction of the structure(s), and the date(s) and extent of any major alterations, to the extent such information is known,

See Exhibit 4

5 A brief narrative history of carrier operations in the area, and an explanation of what, if any, changes are contemplated as a result of the proposed action.

PSAP has operated over the Line 1997 when the Line was acquired from The Burlington Northern and Santa Fe Railway Company ("BNSF"). See, *Arizona & California Railroad Company Limited Partnership--Acquisition and Operation Exemption--The Burlington Northern and Santa Fe Railway Company*, STB Finance Docket No. 33448 (STB Served September 11, 1997)

The Line was built by the Northern Pacific Railroad Company, a predecessor of BNSF, in 1892. The Line was owned and operated by NP and its successors until the Line was acquired by PSAP.

Prior to 2007, PSAP provided five day per week service on the Line to Hoquiam Plywood. In 2007 service was reduced to two to three days a week. PSAP embargoed the Line due to track conditions on February 28, 2008 pursuant to Embargo Number PSAP000108, issued pursuant to the AAR Embargo and Permit System.

6 A brief summary of documents in the carrier's possession, such as engineering drawings, that might be useful in documenting a structure that is found to be historic,

PSAP possesses the valuation maps of the Line, but is not aware of any other documentation in its possession.

7 An opinion (based on readily available information in the railroad's possession) as to whether the site and/or structures meet the criteria for listing on the National Register of Historic Places (36 C.F.R. 60.4), and whether there is a likelihood of archeological resources or any other previously unknown historic properties in the project area, and the basis for these opinions (including any consultations with the State Historic Preservation Office, local historical societies or universities).

PSAP believes that the bridges and structures on the Line are not unusual or noteworthy for inclusion on the National Register of Historic Places. It is also PSAP's opinion that there are no archeological resources or other railroad related historic properties in the project area.

8. A description (based on readily available information in the railroad's possession) of any known prior subsurface ground disturbance or fill, environmental conditions (naturally occurring or manmade) that might affect the archeological recovery of resources (such as swampy conditions or the presence of toxic waste), and the surrounding terrain.

PSAP believes that there are no existing records as to the nature of any known subsurface ground disturbance or fill, or environmental conditions that might affect the archeological recovery of any potential resources.

9. Within 30 days of receipt of the historic report, the State Historic Preservation Officer may request the following additional information regarding specific non-railroad owned properties or groups of properties immediately adjacent to the railroad right-of-way: photographs of specified properties that can be readily seen from the railroad right-of-way (or other public rights-of-way adjacent to the property) and a written description of any previously discovered archeological sites, identifying the location and type of the site (*i.e.* prehistoric or native American).

PSAP does not foresee the likelihood that any additional information will need to be supplied in association with the proposed abandonment other than that information previously submitted. But, if any additional information is requested, PSAP will promptly supply the necessary information.

PSAP contacted WAHP. *See Exhibit 2.* No response has been received. A copy of this Report has been mailed to WAHP.

EXHIBIT 1 – MAP

MAP OF THE 8,344-FOOT PORTION OF THE HORN SPUR IN HOQUIAM, WA

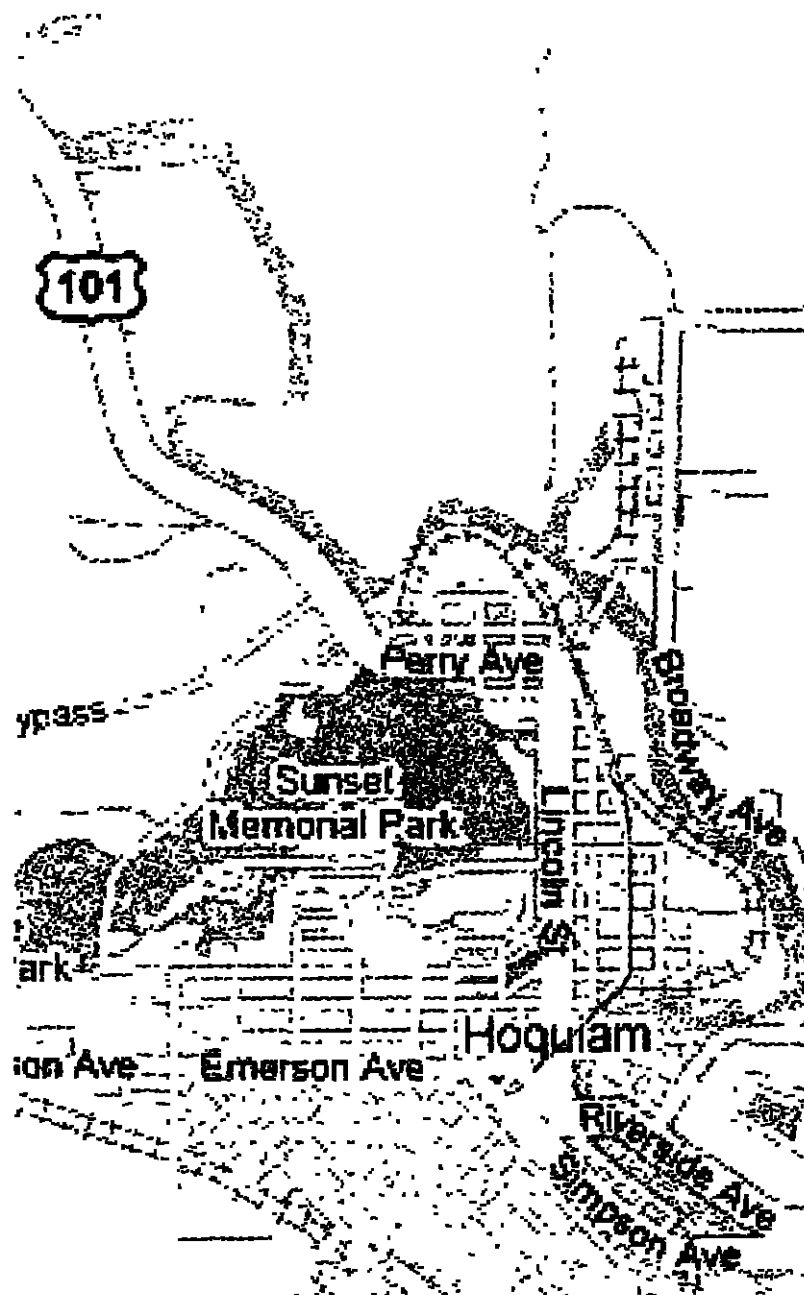


EXHIBIT 2 – LETTERS

**LAW OFFICES OF
LOUIS E. GITOMER**

LOUIS E. GITOMER
LOU_GITOMER@VERIZON.NET

September 12, 2008

THE ADAMS BUILDING, SUITE 301
600 BALTIMORE AVENUE
TOWSON, MARYLAND 21204-4022
(202) 466-6532
FAX (410) 332-0885

Honorable Jack Durney
Mayor, City of Hoquiam
Hoquiam City Hall
609 8th Street
Hoquiam, WA 98550

RE Docket No AB-1023 (Sub-No 1X), *Puget Sound & Pacific Railroad
Company—Abandonment Exemption—in Grays Harbor County, WA*

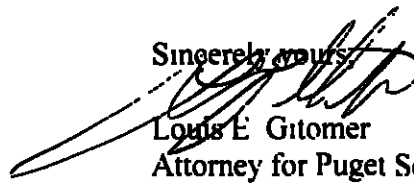
Dear Mayor Durney

On or about October 2, 2008, we expect to be filing with the Surface Transportation Board ("STB") a petition for exemption seeking authority for the Puget Sound & Pacific Railroad Company to abandon an 8,334-foot rail line that begins just south of where the railroad line crosses US Highway 101 and proceeds in a northerly direction for 8,344 feet to the end of the line, in Grays Harbor County, WA (the "Line")

Attached is a Combined Environmental and Historic Report describing the proposed action and any expected environmental effects, as well as a map of the affected area. We are providing this report so that you may review the information that will form the basis for the STB's independent environmental analysis of this proceeding. If any of the information is misleading or incorrect, if you believe that pertinent information is missing, or if you have any questions about the STB's environmental review process, please contact the Section of Environmental Analysis (SEA), Surface Transportation Board, 395 E Street, SW, Washington, DC 20423, telephone 202-245-0295 and refer to the above Docket No AB-1023 (Sub-No 1X).

Because the applicable statutes and regulations impose stringent deadlines for processing this action, your written comments to SEA (with a copy to our representative) would be appreciated within 3 weeks. Your comments will be considered by the STB in evaluating the environmental impacts of the contemplated action. If there are any questions concerning this proposal, please contact our representative directly. Our representative in this matter is Louis E. Gitomer who may be contacted by telephone at 410-296-2250, email at Lou_Gitomer@verizon.net, or mail at Law Offices of Louis E. Gitomer, 600 Baltimore Avenue, Suite 301, Towson, MD 21204.

Sincerely yours,



Louis E. Gitomer
Attorney for Puget Sound & Pacific Railroad
Company

Enclosure



CITY OF HOQUIAM

609 8th St.
Hoquiam, WA 98550
www.cityofhoquiam.com

City Hall Departments
(360)532-5700

Mayor, Ext 219
Fax (360)532-4031

City Administrator, Ext 243
Fax (360)538-4938

City Attorney, Ext 231
Fax (360)532-4031

Finance Dept., Ext 0
Fax (360)532-2306

Municipal Court, Ext 235
Fax (360)533-3602

Community Services, Parks &
Cemetery, Ext 240
Fax (360)538-4938

Public Works, Ext 240
- Building & Planning, Ext 251
- Building, Ext 223
- Planning & Code Enf., Ext 211
Fax (360)538-4938

Utilities
- Billing, Ext 233 or 248
- Water Shop, Ext 236
- Sewer Shop, Ext 212
Fax (360)532-2306

Library (360)532-1710
420 7th St
Hoquiam, WA 98550
Fax (360)538-9608

Police Dept (360)532-0892
215 10th St
Hoquiam, WA 98550
Fax (360)532-0899

Fire Department
(360)532-5700, Ext 262
625 8th St.
Hoquiam, WA 98550
Fax (360)532-3340

September 26, 2008

Louis E. Gitomer
Law Offices of Louis E. Gitomer
600 Baltimore Avenue, Suite 301
Townsend, MD 21204

RE: Puget Sound & Pacific Railroad Abandonment

Dear Mr. Gitomer:

On September 15, 2008 the City of Hoquiam received a letter dated September 12, 2008 from you along with the combined Environmental and Historic Report regarding PSAP's intent to abandon a major portion of the Horn Spur and the rail bridge which has served Hoquiam Plywood for decades.

In your letter, you state that if any of the information is "misleading or in correct, if you believe that pertinent information is missing, or if you have any questions..." to contact the Surface Transportation Board.

The City has many questions and we do believe there is misleading information detailed below and therefore we are sending this letter to the STP.

First, on page 3 in the environmental report it states that letters were mailed to the City of Hoquiam and other impacted agencies and no comments have been received. This statement is completely misleading. The report is dated September 12, 2008 as is the letter sent to the City. Both documents were received by the City after the reports were written and therefore the City of Hoquiam or any other agency for that matter had no opportunity to comment on the report prior to it being written

On page 2 of the report, it states "PSAP will work with the City of Hoquiam to restore the street." There are 12 public road crossings, and several blocks of City street impacted by this rail line where the tracks run right down the centerline of Polk Street. To date, the City has not received any communication from PSAP exactly how or when the streets would be restored if abandoned. We are unclear what PSAP means by working with the City. Our assumption and expectation under the law is that PSAP would be required to fully restore the street with pavement in accordance with City of Hoquiam road standards once the track is removed. Is this the intention of PSAP and if so, what is your expected timeline?

Also on page 2, the report references that on February 28, 2008 PSAP embargoed the road and stopped providing service due to maintenance problems. In my opinion, PSAP has failed to properly maintain the Horn Spur since its acquisition which is why the track and abutting roadway has deteriorated to such a poor

condition. Homeowners who live along Polk Street deal with horrible street crossings, due to broken pavement, raised planks and uneven track because of the lack of rail maintenance. It is imperative that PSAP addresses these safety concerns now and during the abandonment process

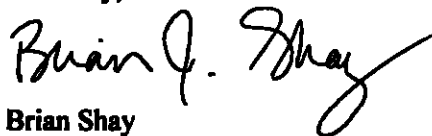
On page 1, the report references how Hoquiam Plywood is now transloading their products in Aberdeen since the tracks were embargoed. This has cost the company approximately \$250,000 more per year which is a significant burden on Hoquiam Plywood and its hardworking employee owners. This company has been in our community for many years and the loss of the rail, could ultimately force them and their 128 employees out of business.

On page 3, the report states that "PSAP considers the proposed abandonment to be consistent with existing land use plans." This is misleading and incorrect. The City's adopted plans and zoning code show the Hoquiam Plywood property served by the track as zoned industrial. This is the common zoning for property served by rail. Nothing in our comprehensive planning includes abandonment of the Horn Spur.

On page 12, the report reads "PSAP believes that the bridges and structures on the Line are not unusual or noteworthy for inclusion on the National Historic Register of Historic Places." This rail line has been in service for over 100 years since 1892. To me, this qualifies as historic. The report also indicates that PSAP does not intend to remove the rail bridge. If PSAP removes the track, they should be required to remove the rail bridge. The City of Hoquiam and our community should not be burdened with a deteriorating rail bridge without rail service.

While the City of Hoquiam understands that PSAP has a decision to make regarding the long term financial feasibility of the Horn Spur, accurate information about the history, the abandonment process, and future restoration plans are necessary to determine a course of action moving forward.

Sincerely,



Brian Shay
City Administrator

cc. Jack Durney, Mayor
Steve Johnson, City Attorney
Richard Blackmon, Hoquiam Plywood
Surface Transportation Board

**LAW OFFICES OF
LOUIS E. GITOMER**

LOUIS E. GITOMER
LOU_GITOMER@VERIZON.NET

September 12, 2008

THE ADAMS BUILDING, SUITE 301
600 BALTIMORE AVENUE
TOWSON, MARYLAND 21204-4022
(202) 466-6532
FAX (410) 332-0885

Honorable Al Carter
Commissioner District No 3
Grays Harbor County Administration Building
100 West Broadway, Suite #1
Montesano, WA 98563

RE. Docket No AB-1023 (Sub-No 1X), *Puget Sound & Pacific Railroad
Company—Abandonment Exemption—in Grays Harbor County, WA*

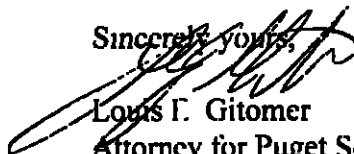
Dear Commissioner Carter.

On or about October 2, 2008, we expect to be filing with the Surface Transportation Board ("STB") a petition for exemption seeking authority for the Puget Sound & Pacific Railroad Company to abandon an 8,334-foot rail line that begins just south of where the railroad line crosses US Highway 101 and proceeds in a northerly direction for 8,344 feet to the end of the line, in Grays Harbor County, WA (the "Line")

Attached is a Combined Environmental and Historic Report describing the proposed action and any expected environmental effects, as well as a map of the affected area. We are providing this report so that you may review the information that will form the basis for the STB's independent environmental analysis of this proceeding. If any of the information is misleading or incorrect, if you believe that pertinent information is missing, or if you have any questions about the STB's environmental review process, please contact the Section of Environmental Analysis (SEA), Surface Transportation Board, 395 E Street, SW, Washington, DC 20423, telephone 202-245-0295 and refer to the above Docket No AB-1023 (Sub-No 1X).

Because the applicable statutes and regulations impose stringent deadlines for processing this action, your written comments to SEA (with a copy to our representative) would be appreciated within 3 weeks. Your comments will be considered by the STB in evaluating the environmental impacts of the contemplated action. If there are any questions concerning this proposal, please contact our representative directly. Our representative in this matter is Louis E. Gitomer who may be contacted by telephone at 410-296-2250, email at Lou_Gitomer@verizon.net, or mail at Law Offices of Louis E. Gitomer, 600 Baltimore Avenue, Suite 301, Towson, MD 21204.

Sincerely yours,



Louis E. Gitomer
Attorney for Puget Sound & Pacific Railroad
Company

Enclosure

**LAW OFFICES OF
LOUIS E. GITOMER**

LOUIS E. GITOMER
LOU_GITOMER@VERIZON.NET

September 12, 2008

THE ADAMS BUILDING, SUITE 301
600 BALTIMORE AVENUE
TOWSON, MARYLAND 21204-4022
(202) 466-6532
FAX (410) 332-0885

Honorable Mike Wilson
Commissioner District No 2
Grays Harbor County Administration Building
100 West Broadway, Suite #1
Montesano, WA 98563

RE Docket No AB-1023 (Sub-No 1X), *Puget Sound & Pacific Railroad
Company—Abandonment Exemption—in Grays Harbor County, WA*

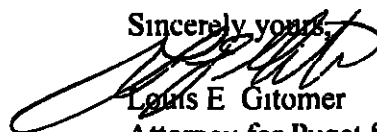
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Sincerely yours,



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Attorney for Puget Sound & Pacific Railroad
Company

Enclosure

**LAW OFFICES OF
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September 12, 2008

THE ADAMS BUILDING, SUITE 301
600 BALTIMORE AVENUE
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Honorable Bob Beerbower
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100 West Broadway, Suite #1
Montesano, WA 98563

RE: Docket No AB-1023 (Sub-No. 1X), *Puget Sound & Pacific Railroad
Company--Abandonment Exemption--in Grays Harbor County, WA*

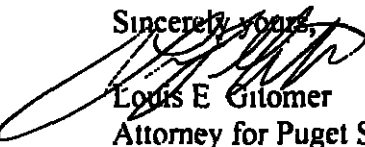
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Sincerely yours,



Louis E. Gitomer
Attorney for Puget Sound & Pacific Railroad
Company

Enclosure

**LAW OFFICES OF
LOUIS E. GITOMER**

LOUIS E. GITOMER
LOU_GITOMER@VERIZON.NET

September 12, 2008

THE ADAMS BUILDING, SUITE 301
600 BALTIMORE AVENUE
TOWSON, MARYLAND 21204-4022
(202) 466-6532
FAX (410) 332-0885

The National Geodetic Survey

RE: Docket No AB-1023 (Sub-No 1X), *Puget Sound & Pacific Railroad
Company—Abandonment Exemption—in Grays Harbor County, WA*

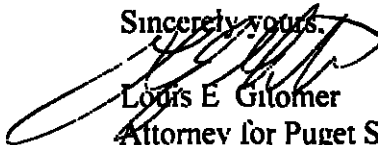
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September 12, 2008

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Natural Resources Conservation Service
U S Department of Agriculture
Montesano Service Center
330 Pioneer Avenue West
Montesano, WA 98563-4412

RE: Docket No AB-1023 (Sub-No. 1X), *Puget Sound & Pacific Railroad
Company Abandonment Exemption—in Grays Harbor County, WA*

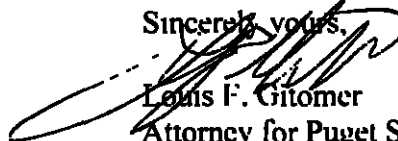
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September 12, 2008

US Army Corps of Engineers
Seattle District
P.O. Box 3755
Seattle, WA 98124-3755

RE Docket No AB-1023 (Sub-No 1X), *Puget Sound & Pacific Railroad
Company—Abandonment Exemption—in Grays Harbor County, WA*

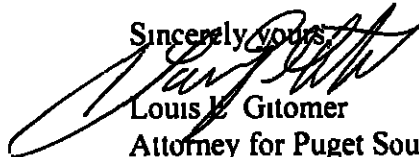
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September 12, 2008

THE ADAMS BUILDING, SUITE 301
600 BALTIMORE AVENUE
TOWSON, MARYLAND 21204-4022
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Mr. Dan Miller
Rivers, Trails & Conservation Assistance
National Park Service
612 East Reserve Street
Vancouver, WA 98661

RE Docket No. AB-1023 (Sub-No. 1X), *Puget Sound & Pacific Railroad
Company—Abandonment Exemption—in Grays Harbor County, WA*

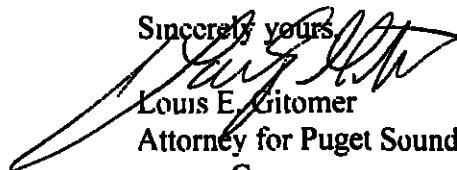
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September 12, 2008

THE ADAMS BUILDING, SUITE 301
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TOWSON, MARYLAND 21204-4022
(202) 466-6532
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Ren Lohofener, Regional Director
U.S. Fish and Wildlife Service
Pacific Region
911 NE 11th Avenue
Portland, OR 97232

RE Docket No AB-1023 (Sub-No. 1X), *Puget Sound & Pacific Railroad
Company--Abandonment Exemption--in Grays Harbor County, WA*

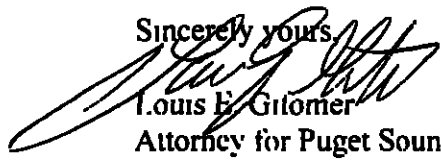
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September 12, 2008

THE ADAMS BUILDING, SUITE 301
600 BALTIMORE AVENUE
TOWSON, MARYLAND 21204-4022
(202) 466-6532
FAX (410) 332-0885

Elin Miller, Regional Administrator
EPA - Region 10
1200 6th Ave., Suite 900
Seattle, WA 98101

RE Docket No. AB-1023 (Sub-No 1X), *Puget Sound & Pacific Railroad
Company—Abandonment Exemption—in Grays Harbor County, WA*

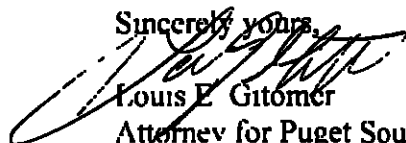
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September 12, 2008

Washington Utilities and Transportation Commission
P.O. Box 47250
Olympia, WA 98504

RE: Docket No AB-1023 (Sub-No. 1X), *Puget Sound & Pacific Railroad
Company—Abandonment Exemption—in Grays Harbor County, WA*

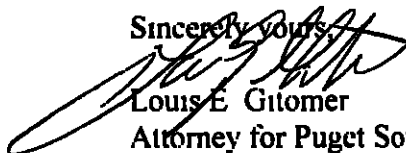
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September 12, 2008

Washington Department of Ecology
P O Box 47600
Olympia, WA 98504-7600

RE Docket No AB-1023 (Sub-No 1X), *Puget Sound & Pacific Railroad
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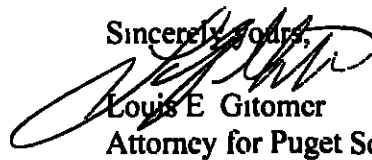
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September 12, 2008

Washington Shorelines and Environmental Assistance
Department of Ecology
P.O. Box 47600
Olympia, WA 98504-7600

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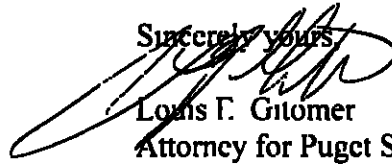
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Sincerely yours,



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Attorney for Puget Sound & Pacific Railroad
Company

Enclosure

Louis E. Gitomer

From: Moore, Jessica (ECY) [jemo461@ECY WA GOV]
Sent: Monday, September 22, 2008 3 24 PM
To: Louis E Gitomer
Subject: Rail Line Abandonment AB-1023

Mr Gitomer,

After reviewing the Combined Environmental and Historic Report for the *Puget Sound & Pacific Railroad Company Abandonment Exemption, Docket No AB-1023*, a Coastal Zone Management (CZM) Consistency Determination is not required at this time

Any changes in the proposed action should be submitted to the Washington State Department of Ecology for review to ensure CZM consistency

Feel free to contact me if you have any questions or need additional information

Thank you,
Jessica Moore

Jessica Moore
Federal Permit Unit
Shorelands and Environmental Assistance Program
Washington Department of Ecology

360 407 7421
jemo461@ecy wa gov

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LOUIS E. GITOMER**

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September 12, 2008

Washington Department of Archeology and Historic Preservation
1063 S Capitol Way, Suite 106
Olympia, WA 98501

RE Docket No AB-1023 (Sub-No 1X), *Puget Sound & Pacific Railroad
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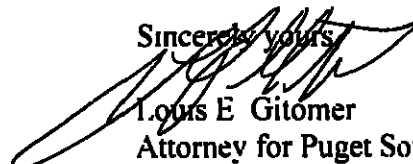
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Enclosure



STATE OF WASHINGTON

DEPARTMENT OF ARCHAEOLOGY & HISTORIC PRESERVATION

1063 S Capitol Way, Suite 106 • Olympia, Washington 98501
Mailing address. PO Box 48343 • Olympia, Washington 98504-8343
(360) 586-3085 • Fax Number (360) 586-3067 • Website www.dahp.wa.gov

September 22, 2008

Ms Diana Wood
Surface Transportation Board
1925 K Street NW
Washington, DC 20423

In future correspondence please refer to :

Log 092208-01-STB

Property Horn Spur abandonment (AB-1023 Sub No 1x) Puget Sound and Pacific RR

Re APE Concur

Dear Ms Wood

We have reviewed the materials forwarded to the Department of Archaeology and Historic Preservation (DAHP) for the above referenced project. Thank you for the opportunity to review and comment. We have reviewed the description of the area of potential effect (APE) for the proposed abandonment of Puget Sound and Pacific RR (PSAP) Horn spur by their attorneys and we concur with the definition of the APE as found in sections 1 and 2 of the Historic Report.

It is our opinion that the photographs submitted in section 3 of the report do not conform to the requirements 49CFR1105.8. Furthermore, sections 4 through 9 do not contain opinions that are based upon proper reporting standards nor were the conclusions, concerning cultural resources, drawn by persons meeting the Secretary of the Interior Standards as stipulated in 36CFR61 Appendix A and 36CFR800.2. We would recommend a survey and inventory of the spur including structures and objects along the right-of-way over 50-years of age and trestles and bridges over 50 feet long. Additionally, it would be helpful if the scope-of-work for this undertaking were better defined. It is unclear to us whether the potential exists for inadvertent discovery of archaeological resources or adverse affects to cultural resources without knowing whether the line is to be abandoned in place, or cut-up and scrapped.

We look forward to the results of PSAP's cultural resources survey efforts, consultation with the concerned tribes, and receiving the survey and inventory report. We would appreciate receiving any correspondence or comments from concerned tribes or other parties that you receive under the requirements of 36CFR800.4(a)(4) and the survey report when it is available. Please note that DAHP has developed a set of cultural resource reporting guidelines and a list of qualified consultants. You can obtain a copy of these from our Web site www.dahp.wa.gov.

These comments are based on the information available at the time of this review and on behalf of the State Historic Preservation Officer in conformance with Section 106 of the National Historic Preservation Act and its implementing regulations 36CFR800. Should additional information become available, our assessment may be revised.



DEPARTMENT OF ARCHAEOLOGY & HISTORIC PRESERVATION

Protect the Past Shape the Future

Thank you for the opportunity to review and comment. If you have any questions, please feel free to contact me. Also note DAHP's new hours effective immediately, DAHP will be open Monday through Thursday 7am to 5 30pm (Pacific) and closed on Fridays.

Sincerely,

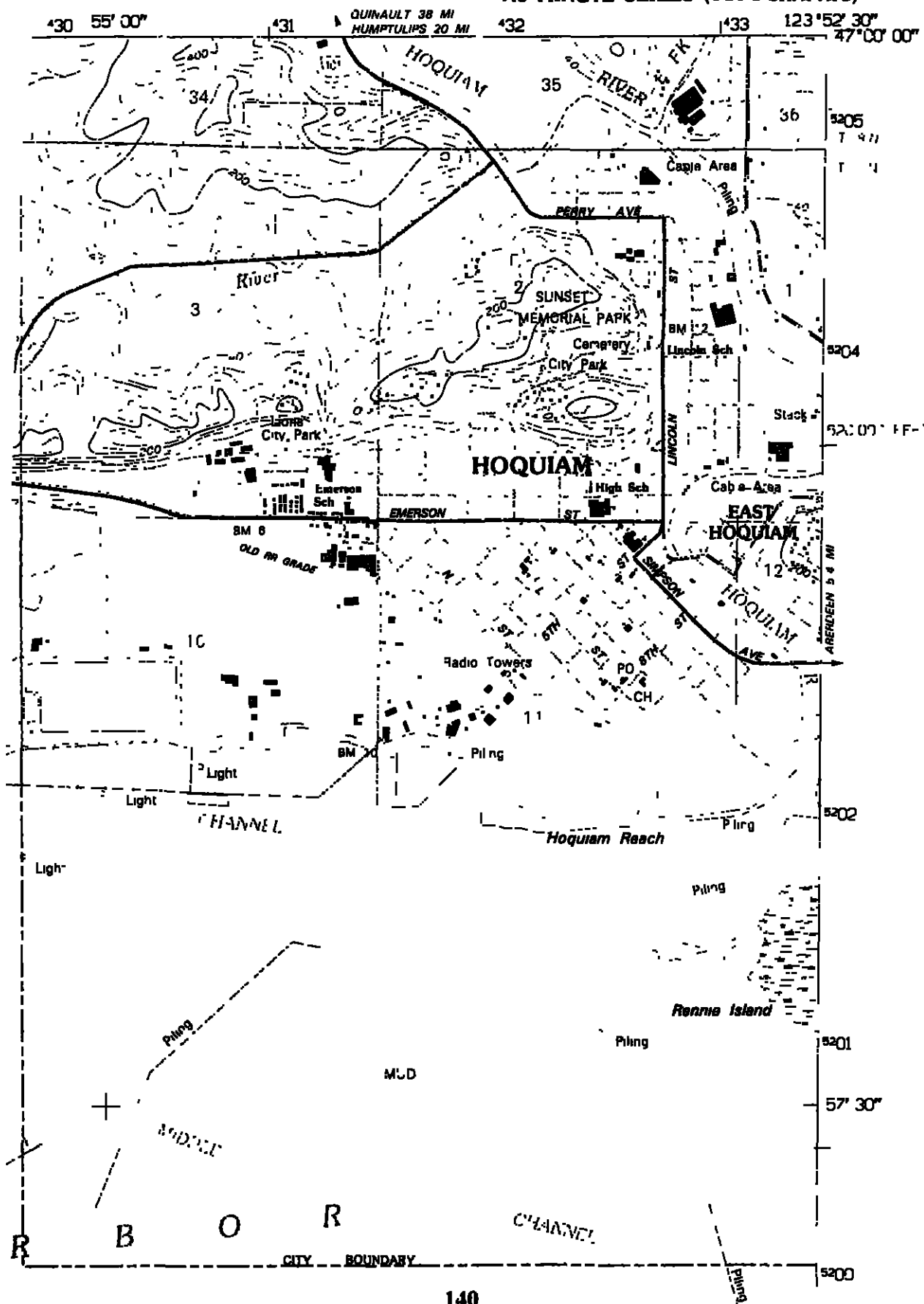


Russell Holter
Project Compliance Reviewer
(360) 586-3533
russell.holter@dahp.wa.gov

Cc: Louis Gitomer (PSAP)
Scott Witt (WSDOT)

EXHIBIT 3 – USGS MAPS

HOQUIAM QUADRANGLE
WASHINGTON-GRAYS HARBOR CO
7.5 MINUTE SERIES (TOPOGRAPHIC)



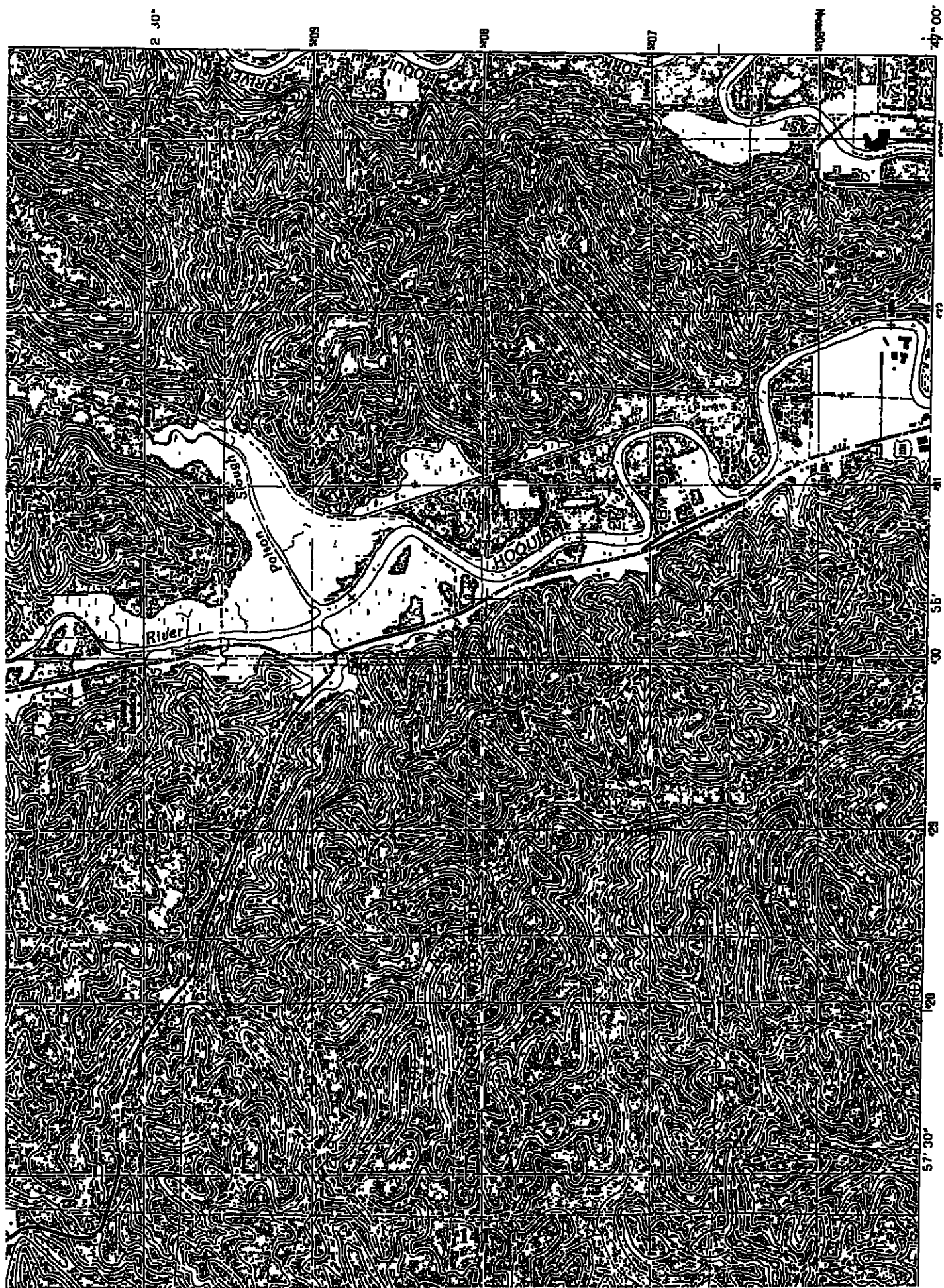


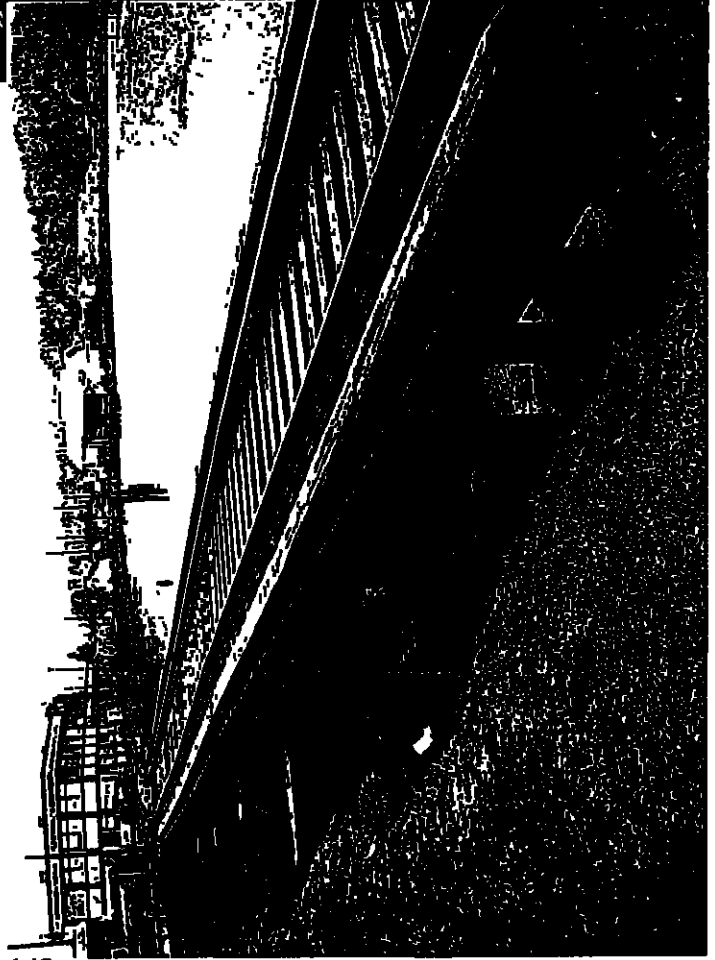
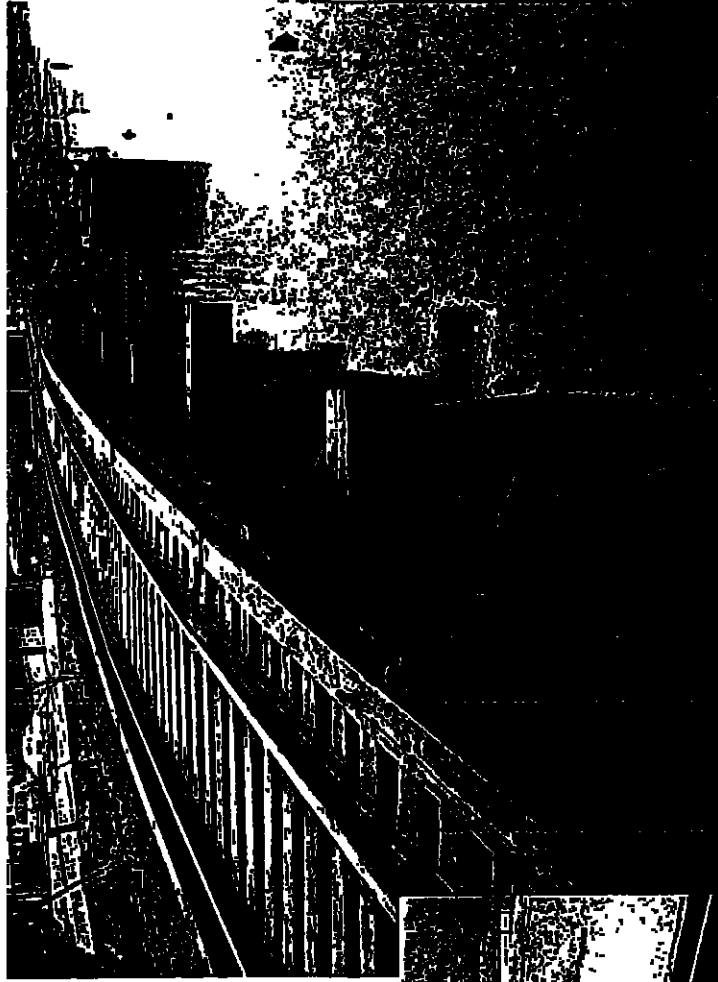
EXHIBIT 4 – BRIDGE PHOTOGRAPHS AND DESCRIPTIONS

13. Photographs of all structures and trestles that are 50 years old or older.

Bridge one of three on Horn Spur

Located 3827 feet north of clearance point off of main

Photo taken on 2/8/08 looking north



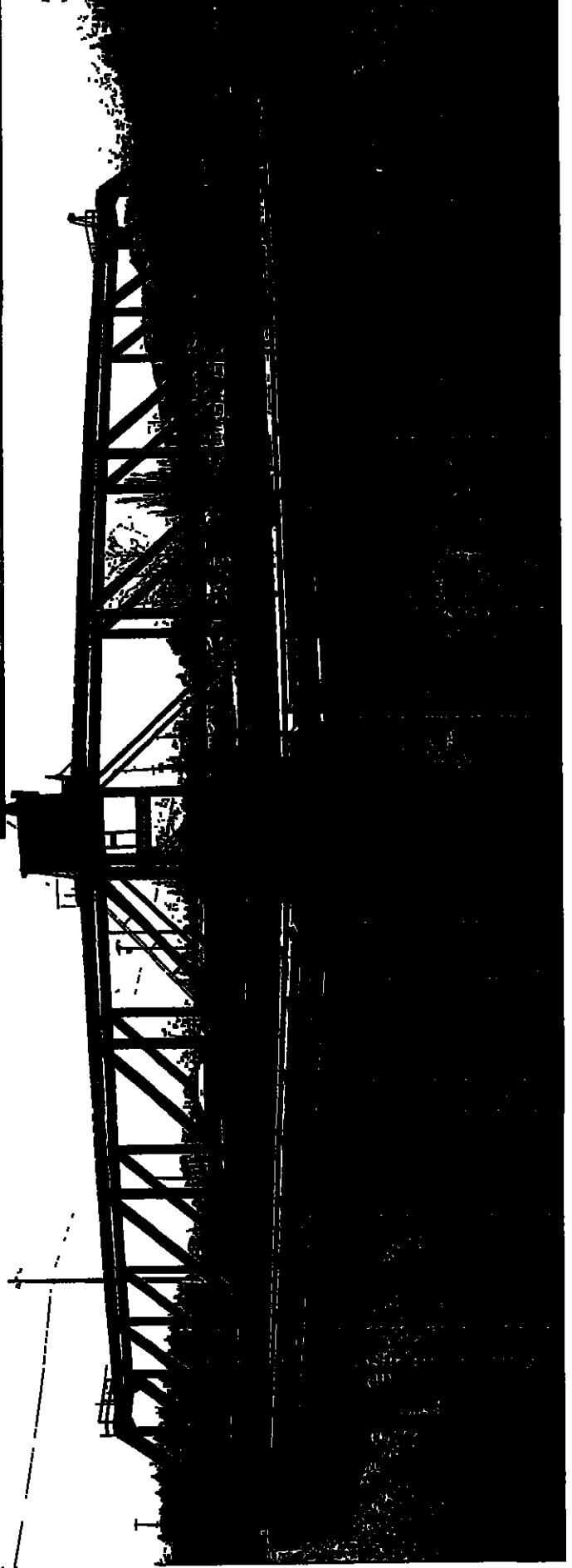
13. Photographs of all structures and trestles that are 50 years old or older.

Bridge 2 of 3 Swing Bridge

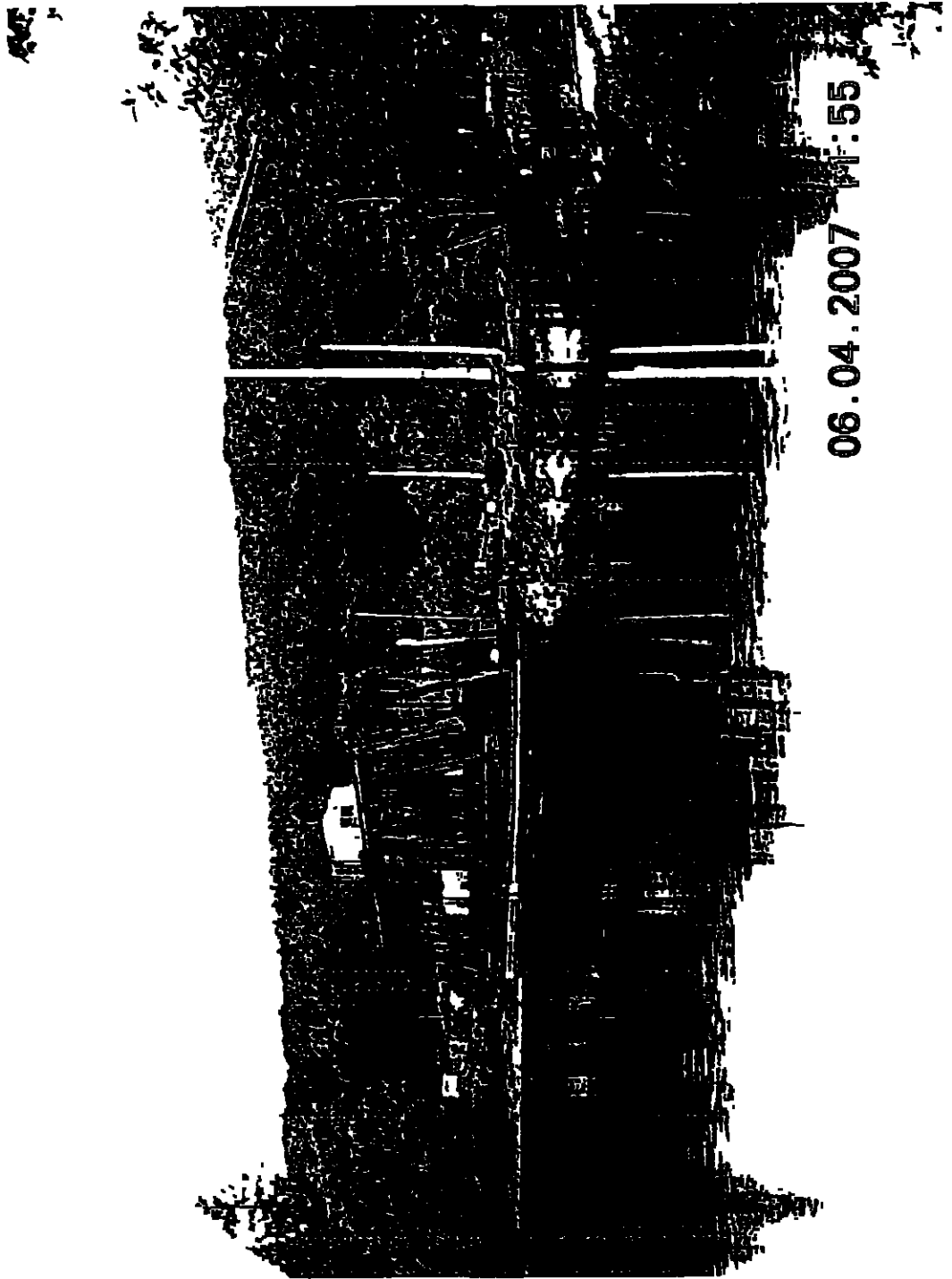
Located 9306 feet North of clearance point of main

Photo taken 2/8/08 looking north

Bridge is 231 feet long



3.2 BRIDGE/HORN SPUR



13. Photographs of all structures and trestles that are 50 years old or older.

Bridge 3 of 3 on Horn Spur
Located 10,036 feet north of clearance of main
Photos taken on 2/8/08 looking north



BRIDGE DESCRIPTIONS

BRIDGE 1	open deck wood with wood trestle construction date unknown
BRIDGE 2	swing bridge with wooden open deck constructed 1910
BRIDGE 3	open deck wood with wood trestle construction date unknown

EXHIBIT I-COLOR EXHIBITS

EXHIBIT A-COLOR MAP

MAP OF THE 8,344-FOOT PORTION OF THE HORN SPUR IN HOQUIAM, WA

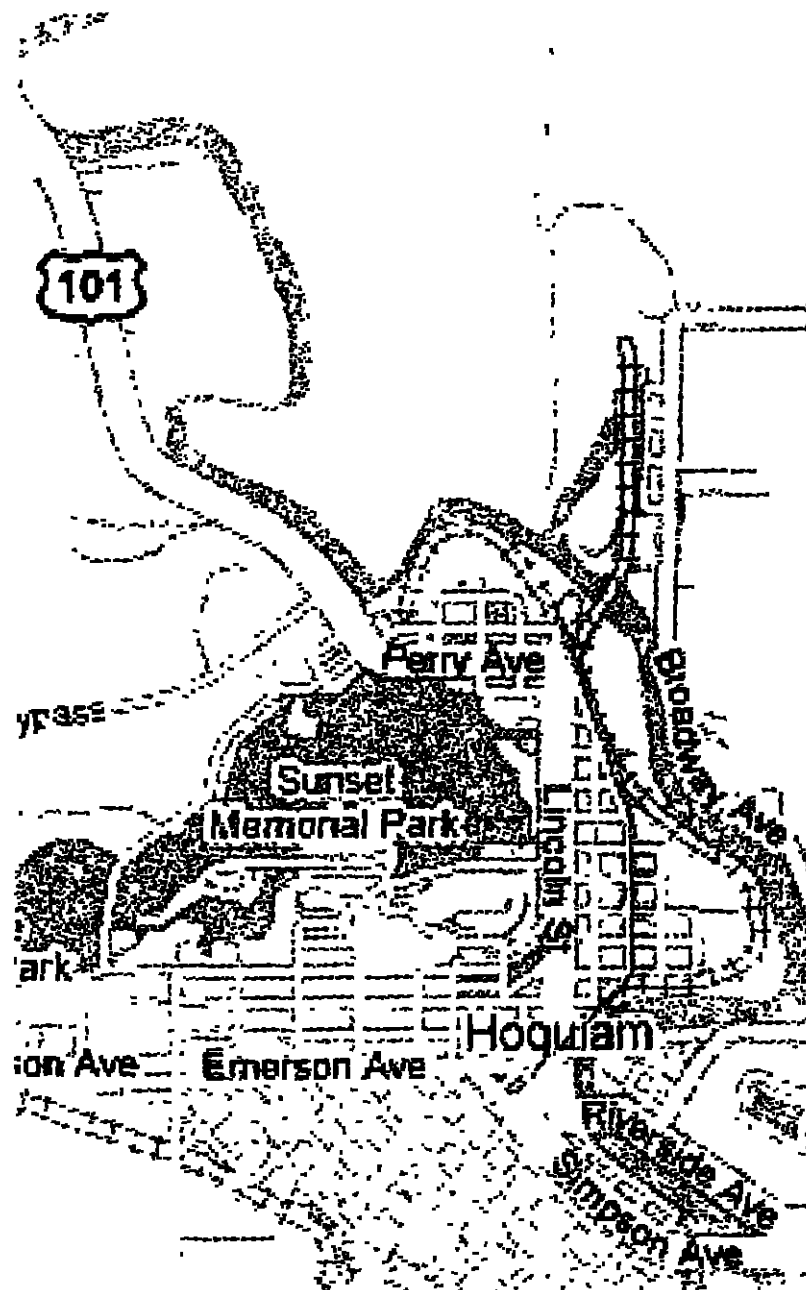
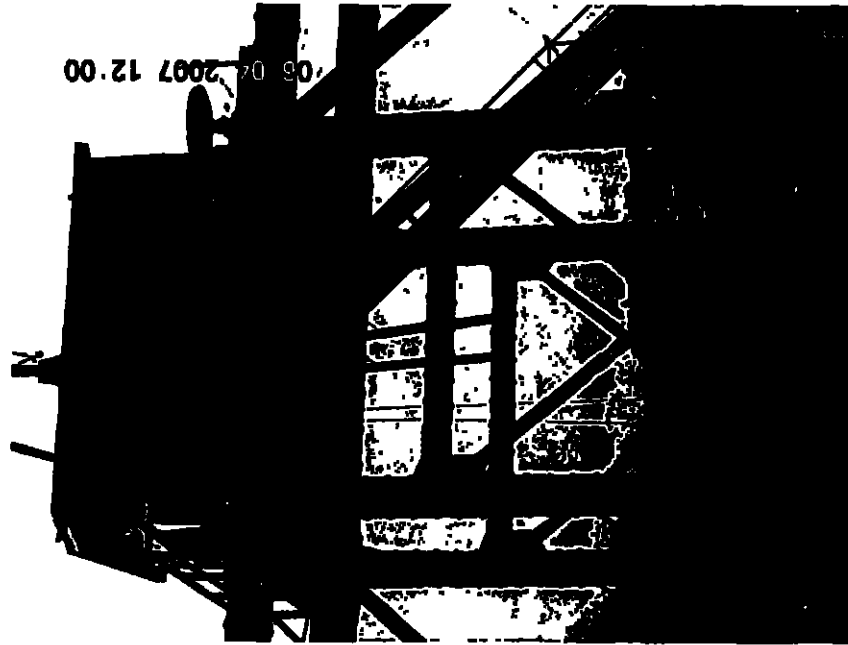


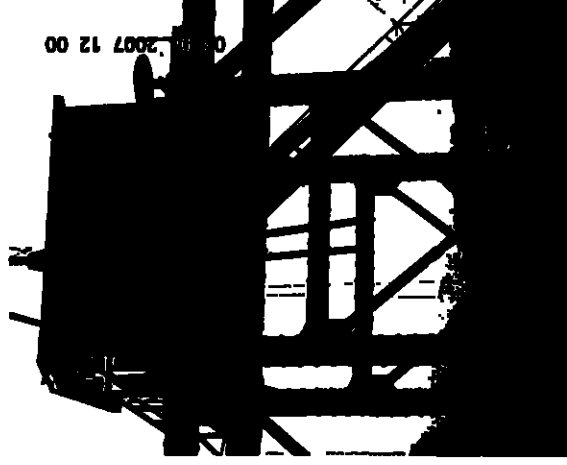
EXHIBIT E: APPENDIX 3-COLOR PHOTOGRAPHS

- CROWS NEST.



CONDITION

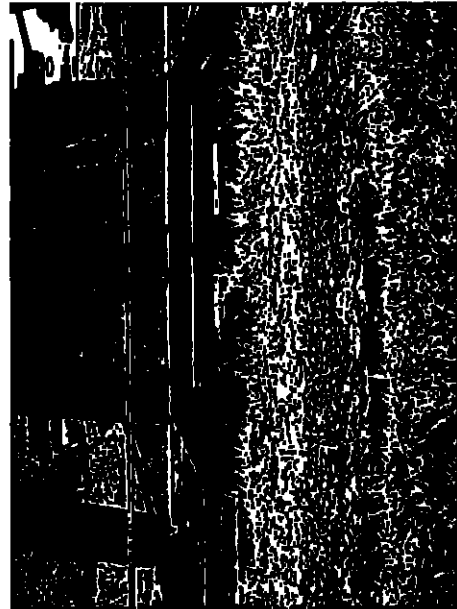
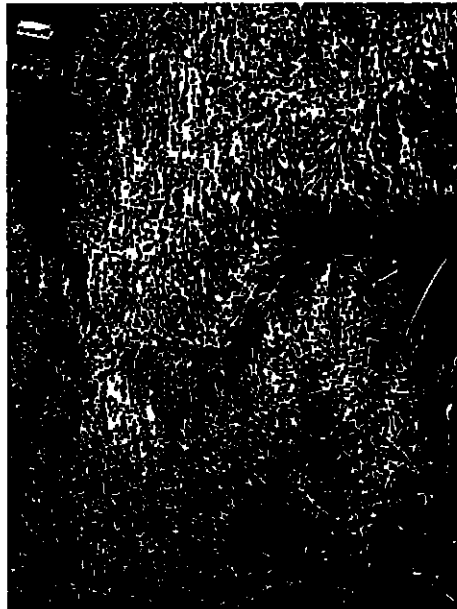
- RUSTED OR MISSING SUPPORT BRACING



- MISSING OR ROTTEN PILINGS

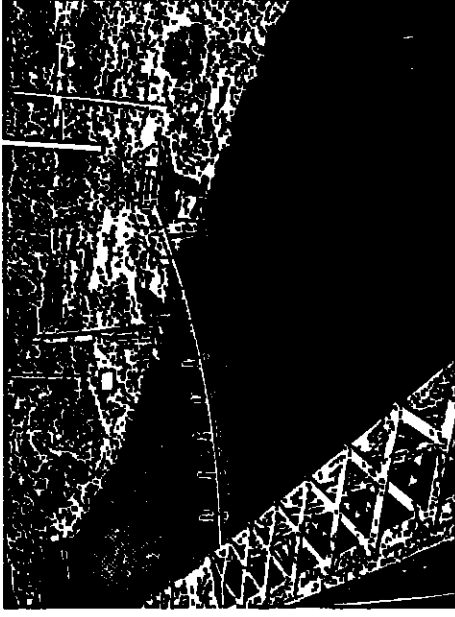


SLOUGHING OF RIVER BANK

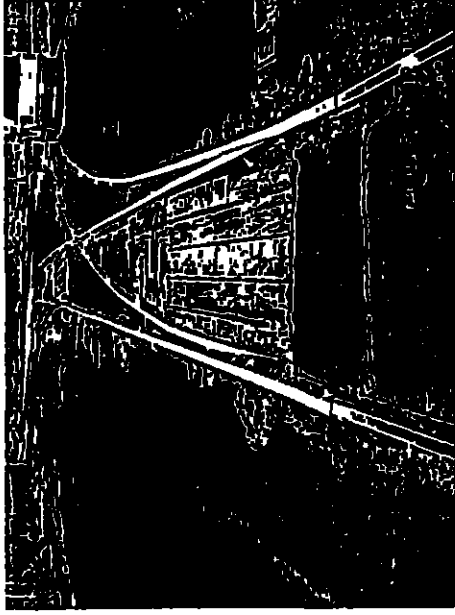


BRIDGETENDER CABLE BRIDGE

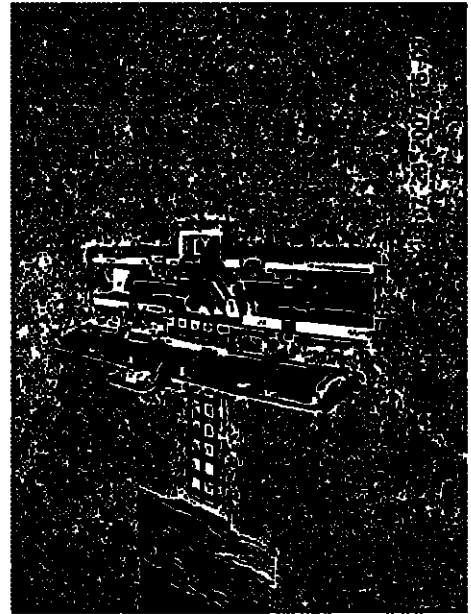
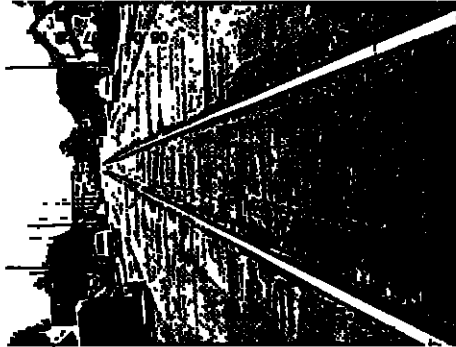
- BRIDGE TENDER MUST CROSS WALK WAY TO LINE BRIDGE
- DURING HIGH TIDE WALKWAY IS SOME TIMES SUBMERGED MAKING WALKWAY IMPASSABLE.
- DURING HIGH TIDE THERE IS A CONSTANT FEAR OF UNSEEN LOG HITTING WALKWAY.
- WALKWAY TIMBERS ARE IN NEED OF REPAIR OR REPLACEMENT



POLK STREET SUBMARINE SWITCHES



POLK STREET



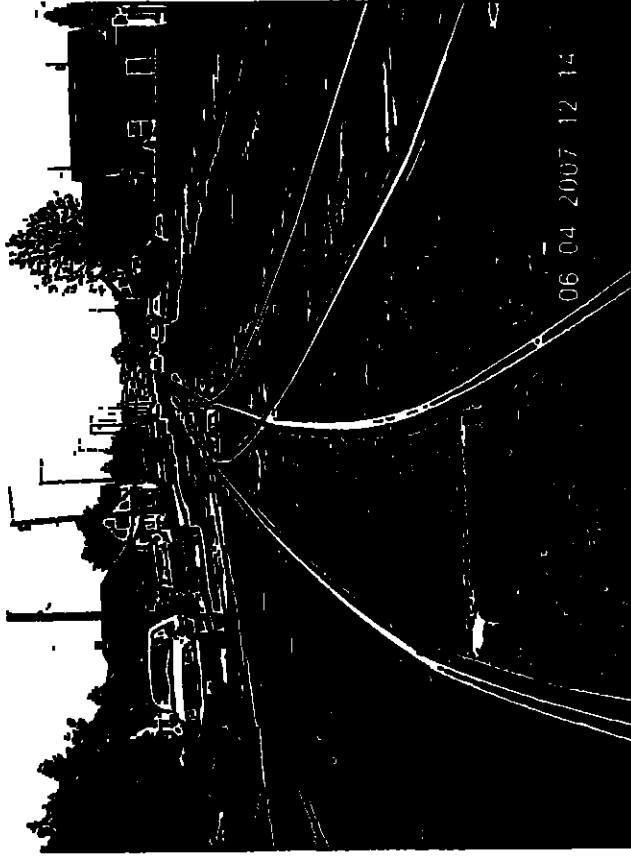
POLK STREET & HOQUIAM

PLYWOOD LEAD



POLK STREET

- 5 MPH TRACK
- 6 CROSS STREETS
- CROSS BUCK
PROTECT ONLY



POLK STREET REPAIRS

- ASPHALT
- MAKES CHANGING TIES EXTREMELY DIFFICULT
- MUST CHIP OUT BEFORE TIGHTENING BOLTS OR CHANGING JOINT BARS
- SALT WATER PITTED TIE PLATES AND BARS

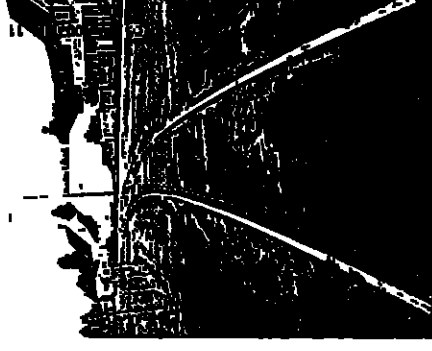
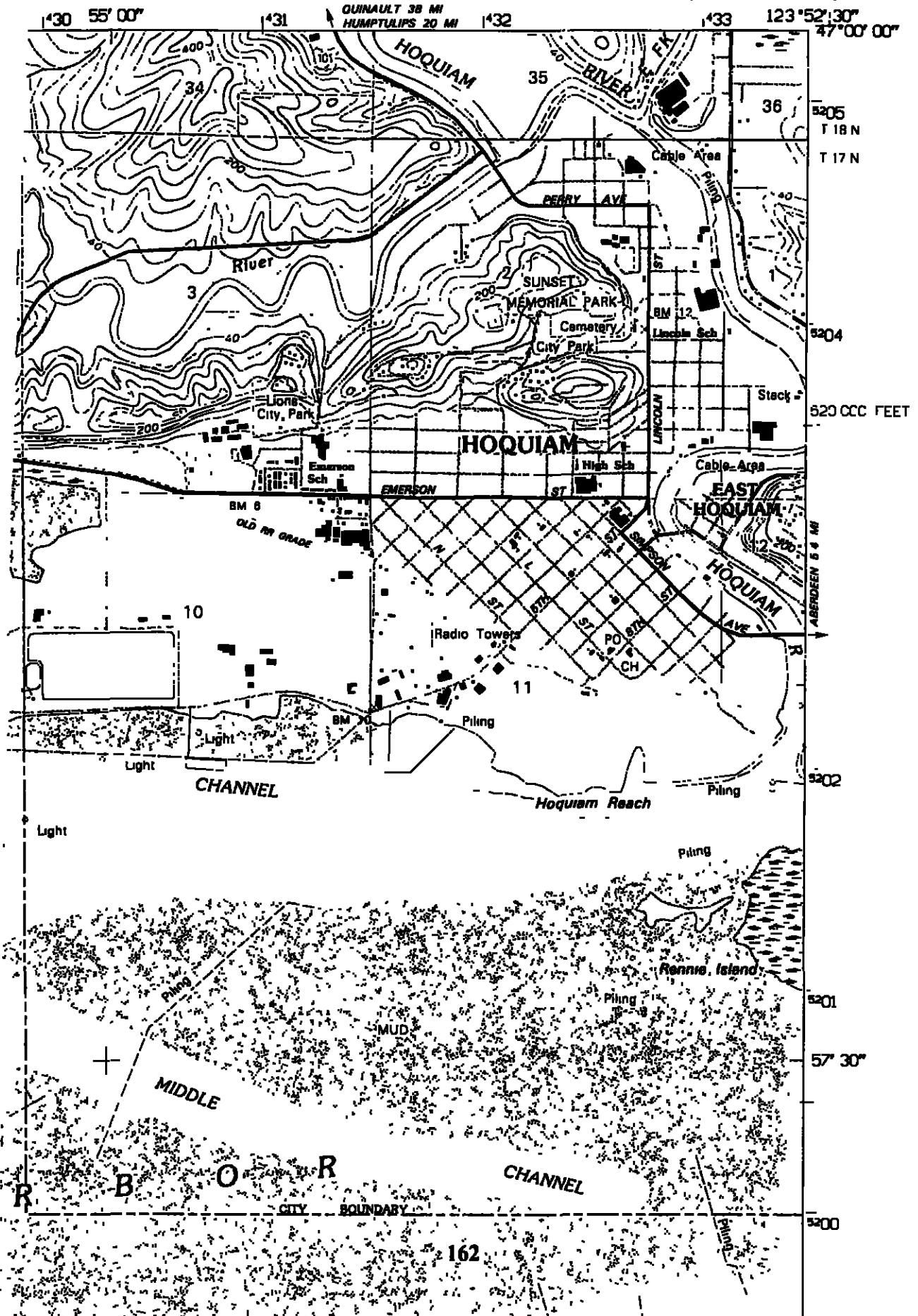


EXHIBIT H-COLOR USGS MAPS AND PHOTOGRAPHS

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WASHINGTON-GRAYS HARBOR CO
7.5 MINUTE SERIES (TOPOGRAPHIC)



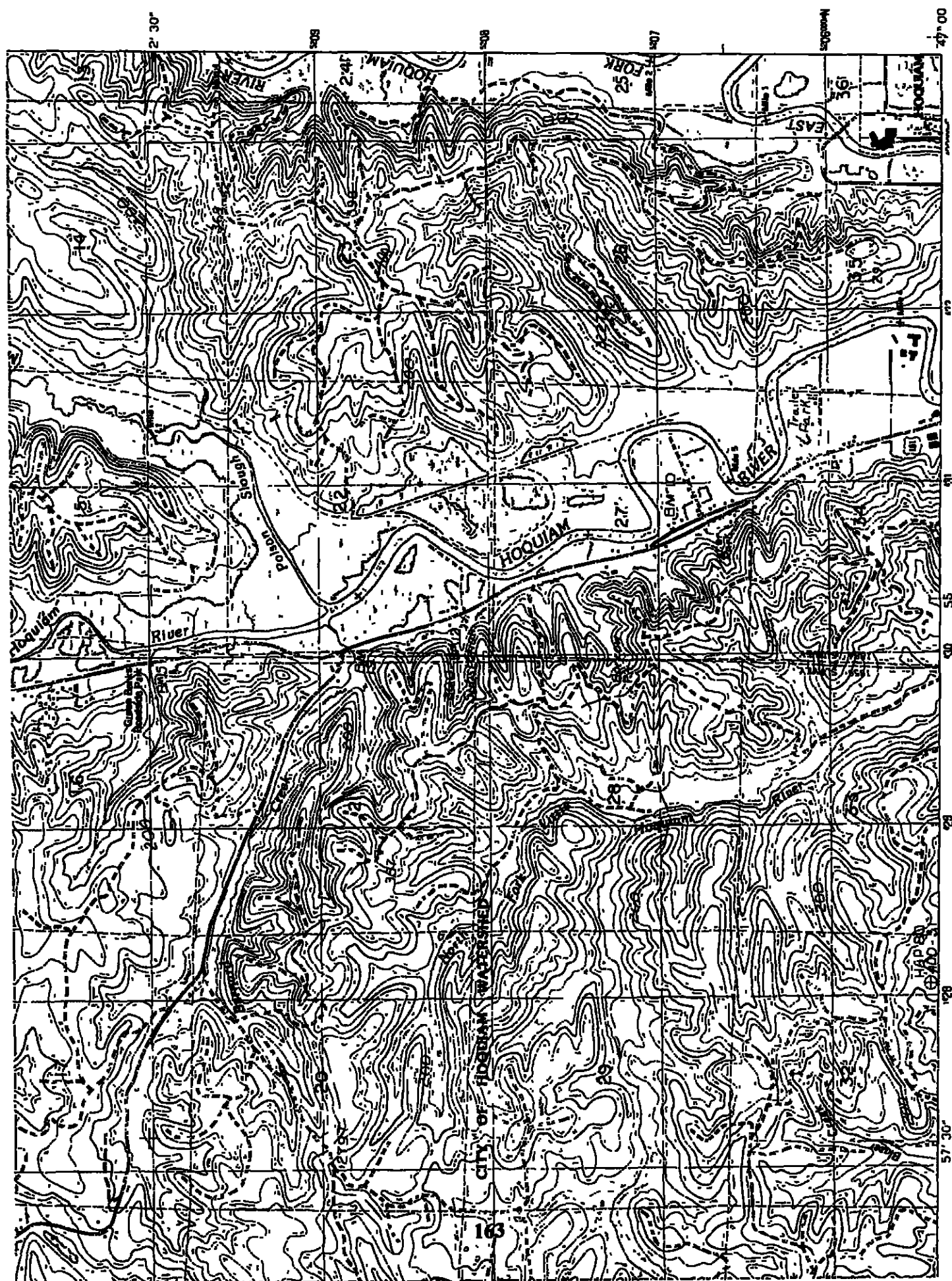


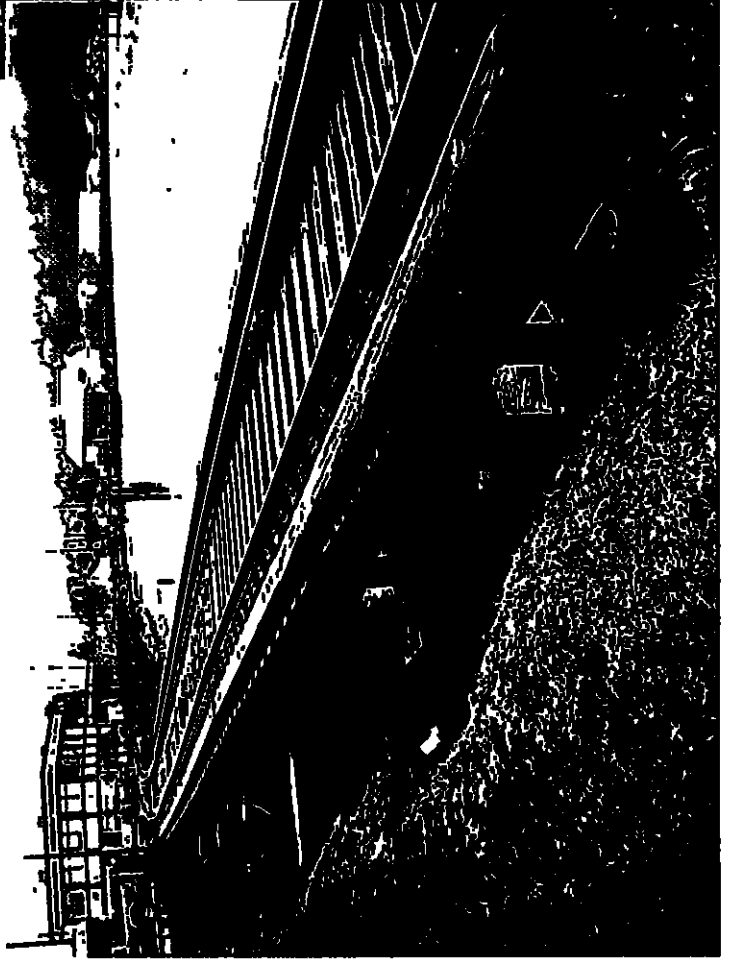
EXHIBIT 4 – BRIDGE PHOTOGRAPHS AND DESCRIPTIONS

13. Photographs of all structures and trestles that are 50 years old or older.

Bridge one of three on Horn Spur

Located 3827 feet north of clearance point off of main

Photo taken on 2/8/08 looking north



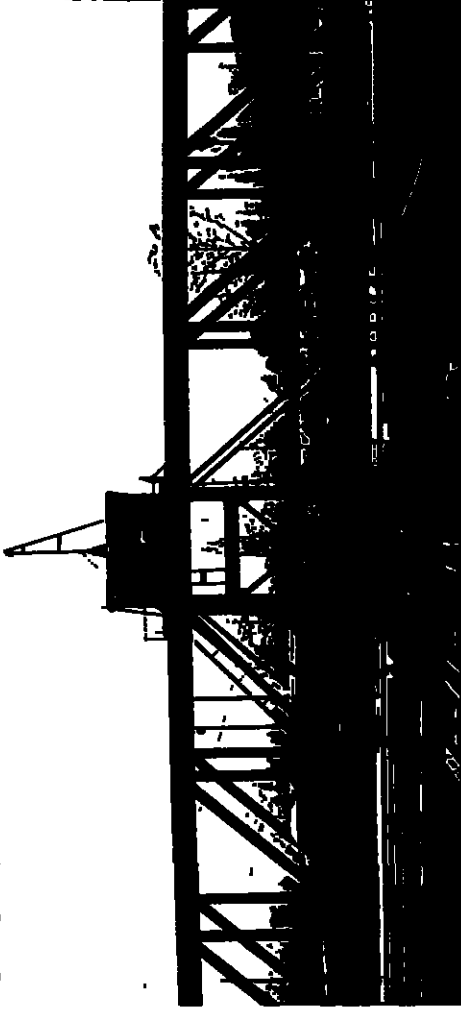
13. Photographs of all structures and trestles that are 50 years old or older.

Bridge 2 of 3 Swing Bridge

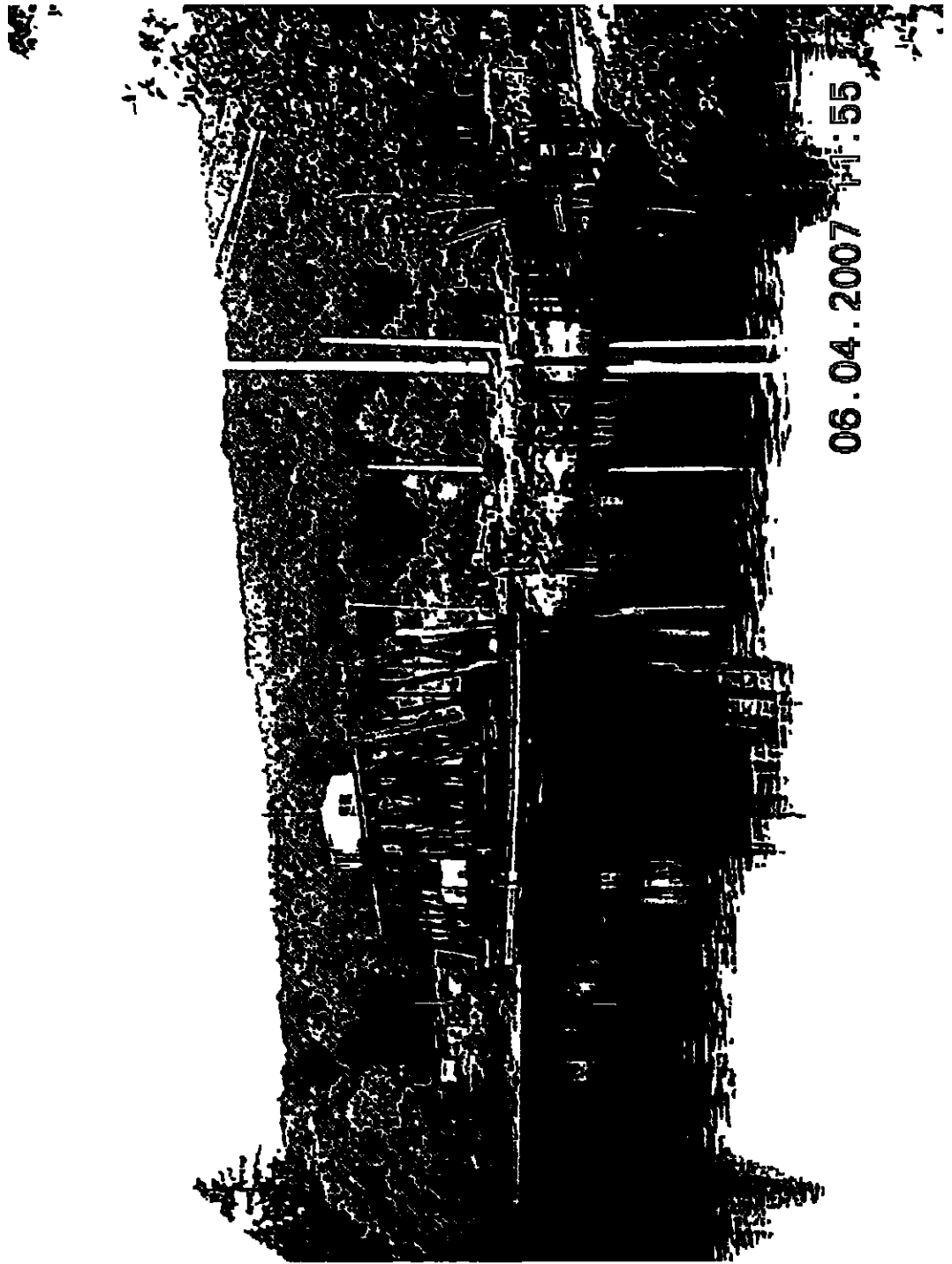
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Photo taken 2/8/08 looking north

Bridge is 231 feet long



3.2 BRIDGE/HORN SPUR



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